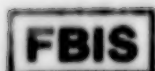


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9 May 1980

# Near East/North Africa Report

No. 2114



FOREIGN BROADCAST INFORMATION SERVICE

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MOROCCAN SUPPORT COMMITTEE DEPARTS TUNISIA

Tunis LA PRESSE DE TUNISIE in French 21 Mar 80 p 4

[Editorial: "Bourguiba, Master of Nationalist Arab Thought"]

[Text] During his recent visit to Tunisia as head of a delegation, Mr Abdessamad Mohieddine, president of the Moroccan Support Committee for Tunisia's Territorial Integrity, made a statement in which he spoke of the results of this visit, of the future of Tunisian-Moroccan cooperation, of the impact of the policies of President Bourguiba and King Hassan II of Morocco on international relations, and finally on the unity of the Arab Maghreb in light of present circumstances.

Mr Abdessamad Mohieddine expressed his gratitude to President Bourguiba for the reception accorded to the members of the committee, pointing out that he found in the head of state all the qualities which have made him the leader of Arab nationalism, and which his majesty, King Hassan II, recently brought to the fore by calling President Bourguiba the master of Arab nationalistic thinking.

Mr Abdessamad Mohieddine stated that he was charged by President Bourguiba to bring a message of thanks and of friendship to his brother, King Hassan II.

Speaking of his visit to Tunisia, Mr Abdessamad Mohieddine emphasized that the Moroccan delegation from the Support Committee for the Territorial Integrity of Tunisia had come to affirm to its Tunisian brothers Morocco's support for Tunisian territorial integrity.

He said: the delegation had conversations with Tunisian officials at all levels, and that during these conversations it noted that President Bourguiba and King Hassan II agreed in their views on matters of government, and on their contribution to the establishment of international relations based on mutual respect, sincere cooperation, and non-interference in each others affairs.

In answer to a question on the future of Tunisian-Moroccan relations, Mr Mohieddine paid particular attention to the problems that developing countries, caught in the whirl of influences between the great powers, encounter these days.

"Taking this reality into account," he said, "Tunisia and Morocco are more than ever called upon to strengthen their solidarity and ties of cooperation, in line with the interests of both parties. This is all the more necessary since the history of the two peoples has confirmed that this cooperation can play an active role in time of crises and hardship."

Besides, Mr Mohieddine thinks that the future of Tunisia and Morocco can only be considered within an Arab-Maghreb framework, united and attached to its authenticity.

He emphasized the need to build up the unity of the Maghreb, yet noted that this must be achieved in stages, with wisdom and clear-sightedness.

In this regard, Mr Mohieddine pointed out President Bourguiba's wise and great vision of the Arab Maghreb, noting that this vision is based on the common evolution of the Maghreb peoples and on historical facts.

"Hence, when the unity of the Maghreb is built on this foundation, it will be protected from the vicissitudes of time," he concluded.

9465

CSO: 4400

## INTER-ARAB AFFAIRS

### BRIEFS

MOROCCO-SAUDI COOPERATION PACT--Rabat, April 15 (Agencies)--The Moroccan-Saudi Arabian Joint Commission for Cooperation met here Tuesday to draw up an action plan for strengthening cooperation in the technical, economic and cultural fields. The Moroccan delegation to the three-day talks was headed by Secretary of State for Cooperation Abdul Haq Tazi, and the Saudi Arabian side by Sheikh Abdullah Ali Reza, secretary of state for economic affairs in the foreign ministry. The commission was set up in February when King Hassan visited Saudi Arabia. At the opening session, Tazi praised Saudi Arabia's "precious economic aid" for development in Morocco. Loans totalling some \$1.28 billion have been given by Saudi Arabia to Morocco over the last ten years, the finance ministry in Morocco announced. In a communique issued after the King's visit, the ministry said the Saudi Arabian government had allocated credits to Morocco totalling 4.37 billion dirhams (\$1.16 billion). The Saudi Development Fund had made loans totalling 422 million dirhams (\$11 million) it added. Last month the commission met in Morocco under the chairmanship of Foreign Minister Prince Saud Al Faisal and Moroccan Foreign Minister Muhammad Boucetta. At Tuesday's meeting Tazi mentioned the Al Hassira dam, aided by Saudi Arabia, which was officially opened by King Hassan last month. The ceremony was attended by Prince Saud. [Text] [Jiddah ARAB NEWS in English 16 Apr 80 p 2]

BIR ZEIT MAYOR IN TUNIS--Mr Amin Jamil Chehada, mayor of the Palestinian town of Bir Zeit, and Mr Ibrahim Ahoud, vice-president of the town council, left Tunis yesterday morning at the end of an official visit to Tunisia. During this visit, Mr Chehada was received by President Bourguiba and spoke with several government and party officials. Shortly before his departure, Mr Chehada said, in a statement to the press, that his visit is part of the Tunisian government's solidarity with the occupied territory of the Left Bank of Jordan, and in particular with the town of Bir Zeit. He said that the Palestinian delegation found that Tunisian officials had complete understanding for the just Palestinian cause, and expressed the hope that the Arab nation will follow the spirit that motivates Tunisia's attitude towards Palestine. "I pray," he added, "that God grant a long life to President Bourguiba, and prosperity to Tunisia." Mr Chehada was seen off at the airport by Messrs Hakem Balaoui, PLO representative in Tunis, and Ahmed Khayari, representative to the party leadership. [Text] [Tunis LA PRESSE DE TUNISIE in French 21 Mar 80 p 4] 9465

PETROLEUM PRICE INCREASE PREDICTED--Osaka April 18 KYODO--The Arab League's representative in Japan predicted Friday that crude oil prices would go up to dollar 40 a barrel this year. Khalil Azhari made the prediction when he and diplomats of several Arab nations, including the ambassadors to Japan of Qatar, Tunisia, Kuwait and Syria, conferred with top executives of four economic organizations in western Japan, including the Kansai Economic Federation (Kankeiren). In a speech delivered at the meeting, Azhari said Arab oil-producing nations would continue to cut back on oil production and exports throughout the 1980s to avoid early depletion of oil reserves and effectively use oil for a long time to come. All Arab countries, he said, will refrain from earning money in excess of their needs. They will slow down the tempo of industrialization programs, he added. As a result, crude oil supplies will always be smaller than the level desired by industrialized nations in the 1980s, he said. Turning to the short-term outlook, he said that crude oil prices would increase to dollar 40 a barrel by the end of this year. He also said that the oil policy is affected not only by the oil supply-demand situation but also by political and economic factors. [Text] [Tokyo KYODO in English no time given 18 Apr 80]

CSO: 4820

## ISLAMIC BANK SIGNS AFRICAN AGREEMENTS

Jiddah ARAB NEWS in English 6 Apr 80 p 3

[Text]

JEDDAH, April 5 (SPA) — The Islamic Development Bank signed two agreements with the Economic Community for Western Africa and Morocco on Saturday.

The technical and economic cooperation agreement between the IDB and the ECWA will exchange experts, technicians and organize joint missions to study and prepare for development projects. The pact also calls for joint financing for development projects.

The agreement was signed by Dr. Ahmad Muhammad Ali, IDB president and by Moussa Nijoum, general secretary of the ECWA. Nijoum arrived here Friday to sign the agreement. The IDB granted Morocco \$15 million loan to finance crude oil imports from Petromin of Saudi Arabia.

The agreement was signed by Dr. Ahmad Muhammad Ali and on the Moroccan side by Muhammad Ghazi, representative of the Central Bank of Morocco and Ahmad Saleh Al-Tayeb, representative of the Moroccan Ministry of Finance.

The Islamic Development Bank has long been the driving force behind moves to strengthen trade among Islamic countries. In its 1979 report to member states, the institution stated that if new economic relationships among the Islamic member countries are to be established to counter the existing patterns of trade, it is necessary that member countries make substantive commitments to economic cooperation not only in the field of trade arrangements but also in the establishment of joint projects that serve several Islamic countries.

The member countries have to devise ways and means, institutional arrangements, legal instruments and appropriate policy measures with a clear commitment to increase trade

among themselves. Furthermore, measures should be adopted to encourage various forms of cooperation toward economic integration as a base for the future generations in strengthening the Islamic nation, the report added.

The report shows that in 1979 the total funds for financing development projects and foreign trade operation amounted to 381.68 million Islamic Dinars (\$490.94 million), a 73 per cent increase from 1978.

Funds allocated for financing development projects in 1979 amounted to 119.25 million Islamic Dinars (\$152.85 million), up 46 per cent from 1978's figure. Among the projects, the IDB participated in financing five projects for the first time in Bahrain, Oman, Upper Volta and Mali.

The bank has agreed to help finance 136 operations in 31 member states since its foundation. The total fund allocated for these operations amounted to ID932 million.

The report revealed that the number of loans financed in 1979 were reduced to 28 per cent in correspondence to 39 per cent from the year before. This resulted in increasing the percentage financed in capital, leasing or participation in projects from 60 per cent in 1978 to 70 per cent in 1979.

In regard to distribution of financing projects to various sections in 1979, the report shows 7.9 per cent went to agriculture, 52.1 per cent to industry and mining, 52.2 per cent to communications and transport, 8 per cent to facilities, 4.2 per cent to social services and 2.6 per cent to other sectors.

The bank also agreed in 1979 to finance six projects worth ID33.74 million (\$43.1 million) in six member-states. The countries are Malaysia, Sudan, Mali, South Yemen, Tunisia and Oman.



It also agreed to participate with ID44.78 million (\$57.67 million) in the capital of nine projects in nine member-states, the UAE, Bahrain, Pakistan, Mauritania, Bangladesh, Jordan, Tunisia, Turkey and North Yemen.

Technical assistance approved by the bank in 1979 reached ID1.68 million (\$2.15 million). The technical assistance was provided to six members which are Niger, Uganda, Upper Volta, Somalia and Occupied Palestine.

The number of member-states grew to 36 countries in 1979. While the paid capital of the IDB amounted to ID750.5 million (\$974.9 million). The bank's surplus profits in 1979 from its operations amounted to ID4.1 million (\$5.3 million).

The report covered the bank's activities in supporting economic cooperation between member countries by encouraging trade and promoting economic ties by financing regional projects and coordinating the economic activities among the member-states.

Most of the member countries of the Organization of the Islamic Conference have already signed the General Agreement on Economic, Technical and Commercial Co-operation. The principal purpose of the Agreement is to provide a legal framework in utilizing economic and human resources of member countries in order to achieve maximum mutual benefit. It aims to encourage trade, investment, transfer of capital and exchange of manpower among the members.

In addition, a number of member countries have been holding meetings and concluding agreements among themselves for the purpose of developing bilateral and multilateral relations in the area of economic and social co-operation. Through their national funds, the oil-exporting countries have increased their economic and financial co-operation with the developing countries in general and with IDB member countries in particular.

The Islamic Development Bank's review of the international economic situation shows that during 1978-79, the developed countries were unable to break the persistence of inflationary trends accompanied by slow growth and high levels of unemployment. Some of the policy decisions pursued by industrial nations have adversely the overall trade and payment problems of developing nations. Because of their large deficits of current accounts and unfavourable terms of trade, the non-oil developing countries are facing even more severe payments hardship than a year ago.

On the other hand, the developing countries in general have made significant contribution to the sustenance of the industrial activities of the major countries. They have done so by increasing their imports of capital goods and modern technology. The developing countries continue to remain in a weak bargaining position in world trade negotiations.

The costs of acquiring technical know-how are straining the limited foreign exchange resources in a majority of developing countries. (The direct costs of importing technology are rising at 20 per cent a year for developing countries).

In addition, double-digit inflation, high levels of unemployment, unstable political structure in certain parts of the world combined with uncertain economic conditions in some parts of the world, along with weakening trends both in private investment and consumer confidence (particularly in the West) indicate a gloomy prospect for the next

Unless the industrialized nations achieve reasonable growth levels, around four per cent a year, and gradually reduce protection, eliminate trade barriers and step up development assistance, the plight of millions of people in developing countries is not unlikely to show much improvement. The developing nations and the member countries of the Islamic Development Bank themselves have to expand their trade with one another and at the same time pursue sound economic management policies particularly with respect to employment, inflation and export.

The IDB's financing policies reflect the spirit of its attempts to create solidarity in and among member Islamic states, the report adds. The policy states, the basic objective of the Bank's foreign trade scheme will be to mobilize deposits from outside and use them for financing member countries' foreign trade transactions, thereby enabling the providers of resources with a mode of placement in conformity with Shariah and enabling the recipient countries to benefit from such placements in their foreign trade operations.

With a view to ensuring that the scheme continues to serve a development objective and also keeping the demand for resources within reasonable bounds, the Bank would continue to follow the same approach as in the past in regard to the eligibility of commodities. However, depending on the availability of resources for a longer period of time

and on the success it achieves in mobilizing deposits, the Bank may introduce a certain degree of flexibility in regard to the eligibility of commodities by considering financing for other essential items also. As far as possible, the bank will continue to require that the imports are from another member country.

It will also maintain the level of mark-up at the existing level, particularly in view of the fact that it has to mobilize deposit resources from outside for financing the scheme, and that any lowering of the return will interfere with the mobilization effort.

The IDB report further states that non-oil exporting member countries have reserves sufficient only to finance less than three months of imports. And the precarious state of their foreign exchange reserves, the increasing value of costly imports and the necessity of buying expensive technology from advanced nations have forced non-oil developing countries to seek substantial loans from all possible sources.

The large scale borrowing by the developing countries has continued over the past few years. Hence, these countries are now heavily indebted. The total foreign debt of the non-oil developing countries has grown faster than their export earnings. An increasing part

of their debt is in the form of short term or medium term loans on unfavorable terms. They are experiencing serious debt-servicing problems. The ever increasing need of financing costly imports has necessitated high borrowing from the financial institutions, which has further increased the debt servicing burden of these countries. In some cases, the external borrowing has achieved nothing more than servicing some existing debt.

The report further states that the majority of industrial nations have so far not lived up to their target of providing the minimum development assistance considered necessary for the developing countries to achieve satisfactory rates. On the other hand, the net flow of developmental assistance from the oil-exporting countries of the IDB has surpassed the set target many times over.

For example, the corresponding figures for 1977-78 for Saudi Arabia, Kuwait, Qatar and the UAE were 4.8, 10.1, 4.7, and 10.9 per cent respectively. These countries have not only increased their aid contribution to the international and regional financial institutions, but have also substantially increased their bilateral financial assistance to the developing countries in general and members of the IDB in particular.

AFGHAN POLITICS, RUSSIAN INVASION DISCUSSED

London AL-DUSTUR in Arabic 18-24 Feb 80 pp 31-34

[Article by Hassan Jawad: "How Amin Was Removed and Replaced by Karmal"]

[Text] The struggle over power taking place in Afghanistan is inseparable from the upheaval afflicting the region. For 1 year now, the East has been the scene of violent eruptions which have resulted in wars of intervention and struggles over control of the region. The area's people, who for centuries have been the victims of the law of might, have finally decided to follow an independent course and to reject the policy of alignment with the dominant power. The struggle in southeast Asia, the Iranian revolution, the intermittent explosions in Turkey and the Gulf region, the Arab-Israeli conflict, as well as the recent Soviet intervention in Afghanistan are but links in the major struggle between the superpowers. It is a struggle for domination by the superpowers; it is also a struggle by the weaker nations of the region in a bid to gain sovereignty over their own territory. The Soviet intervention comes at a time when the people of the East expect the United States to intervene in Iran.

Intervention of any kind, and of whatever origin, is indicative of the total disregard by which the contestants hold the will of the people, and of the contestants' wanton determination to employ the countries of the region as pawns in the service of their strategic and international interests. Thus, regardless of how the most recent [Soviet] intervention is exploited by the United States in order to mobilize its allies and arrange for the use of military bases (in Egypt, Israel, and some Gulf states) in preparation for attacking Iran, or some other purpose, the fact remains that military intervention as a quick means to resolve issues is contrary not only to international law--which was framed by the major powers--but to the principles of the weaker nations throughout the world. What is taking place now in Iran is but a sample of what could happen in any hapless country that might be selected as the next arena for international conflict. Undoubtedly, justification for actions and reactions [by the superpowers] will be trumpeted in advance.

Pretexts for intervention, as most observers have deduced, fall into two categories: internal and external. We list here the most important ones.

- Poor relations between the Soviet Union and Hafizullah Amin. Amin is responsible for the rift in the Khalq party, which led to the emergence of the Parcham splinter group under the leadership of Karmal. Amin is also responsible for Taraki's murder. Furthermore, he bears the responsibility for precipitating another problem when he sought to liquidate some of Taraki's political supporters who had taken refuge at a Soviet military base in Bagram, near Kabul. Amin's excesses weakened his control and alienated many of his educated Afghan supporters. This was over and above his loss of Taraki supporters. The string of military victories achieved by the insurrectionists caused further deterioration in his government, so much so that he became nearly a helpless bystander as control of the country slipped out of his hands.

The victories being realized by the religious opposition means one of two things: Either a reactionary religious front will gain the upper hand and create an extension of the Pakistani regime--an American victory--or a progressive religious group will gain control and create an extension of the Iranian revolution. The latter possibility will be viewed as the more potentially dangerous of the two by the superpowers.

- Afghanistan is the Soviet Union's southern neighbor. Its territory is of vital strategic importance [to the Soviets]. It is the link between the Indian Ocean and the oil-rich Gulf. It is the first step toward the warm waters [of the Indian Ocean].

- Control of Afghanistan is an important step in the effort to complete the encirclement of China. China is surrounded by Vietnam and Cambodia to the south, and by Afghanistan and the Soviet Union to the west.

The foregoing considerations are the most important and commonly cited explanations for the [Soviet] intervention. Two other points, however, need further explanation: First, there is the claim that the intervention came at the request of the Karmal Government and was based on Article 4 of the [Friendship] treaty between the two countries, which stipulates that the Soviet Union would come to the aid of Afghanistan in the event of foreign intervention. There is evidence, however, that the Soviets began to enter Afghanistan in the early part of December of last year, and that the flow of troops was especially heavy on 26, 27 and 28 December, when the coup against Amin was launched. Karmal was subsequently brought from Czechoslovakia but did not appear in public until Tuesday, 1 February.

The second point is that the new president has begun to speak in the name of the Democratic Khalq Party, at a time when everyone knows that he is the secretary of the Parcham group, which had split from the Khalq Party. His motive for doing this is to move freely within the party in order to

liquidate large numbers of the opposition within Khalq and consolidate his authority. It is worthwhile to note in this connection that enmity between the two groups has existed for a long time.

When Nur Muhammad Taraki resigned his post as director of the Afghan News Agency, BAKHTAR, to become the press attache of the Afghan Embassy in the United States, he began to entertain the idea of founding a new democratic party. He took the first steps in that direction when he laid down the goals of the new party and publicly announced his intention to form it. His chance came when he was removed from that position 6 months later as a result of criticizing his country's foreign policy. He returned to Kabul shortly thereafter, and announced that his new party would be a good substitute for the Communist Afghan Parcham Party, which, according to him, had failed to attract wide public support, due in large measure, to the Afghan people's natural distrust of secular and Marxist parties, which threaten the people's reactionary religious beliefs. Indeed Taraki was able to attract a number of groups, including some of the educated class. Among the latter was Hafizullah Amin, who had just returned from the United States, where he had been studying. Taraki's followers included government workers, small businessmen, military men and city workers. They held their first convention in January, 1965 and announced the founding of the Democratic Afghani Party. The new party refrained from using any socialist or Marxist references in its constitution and literature until it gained power in April, 1978.

The party's principles and goals had a good deal of appeal to the minor bourgeois groups, who aspired to create a new, unified nation embracing the Baluchs of Iran and the Pashtungs of Pakistan. Taraki was looked upon as the party's spiritual father. A large group of the educated class was attracted to the party. In particular, the party held a great deal of attraction to the minor bourgeois sectors of society, including army officers, merchants and students, as well as some politicians and tribal leaders, particularly among the Durrani of Pashtung origins.

A proposal to merge Khalq and Parcham was put up for consideration that same year. The effort succeeded and the two parties joined forces to become the principal political force in the country under the monarchy system. For personal and organizational reasons, however, a split soon developed and the two parties pulled apart until 1973, when they merged again to assume power. The second merger was prompted by several factors, including a weakened Zahir Shah government and rivalry among the country's religious groups. The sprouting of secular political groups in the cities, their connections to certain military circles, and the presence of military officers trained in the Soviet Union were all contributing factors. It was thus not difficult to convince Muhammad Daud, the prime minister then, to launch a coup against his cousin and to form the first republican government, to be controlled by Parcham and Khalq. The two (reunited) parties shared power equally, with the exception of one ministry which was assigned to an independent.



Initially, Muhammad Daud's government received Soviet support. Later, however, Daud became isolated as the two "merged" parties continued their rivalry. Both parties competed with each other in attracting Soviet support. The chasm between the leftist government and Daud widened. His fears led him to make overtures to the West in an effort to restore political balance. He finally struck against the leftist government. He intensified his involvement in government activities, attended meetings and pressured governmental officers and supporters. He cemented his ties with the Islamic nations of Kuwait, Saudi Arabia and Egypt and obtained financial support from the Islamic Development Bank. Internally, the Shaab [Peoples] Party intensified its opposition against the Daud government; they scuttled his projects and called publicly for his forceful removal. A Shaab party member was implicated in a plot to overthrow the government. Arrests followed. Finally, six Shaab central committee members were jailed, including the founder, Muhammad Taraki.

President Muhammad Daud was determined to execute the six committee members. In fact, 29 April was set as the date for the executions. The Soviet Union, however, quickly signalled its allies to save the situation. Hafizullah Amin, the party's officer in charge of military affairs at the time, aided by Col Aslan Watanjar's 15th Division, launched his coup of 27 April. (Watanjar--who was later to become Afghanistan's interior minister--had been earlier marked for liquidation in Hafizullah's coup against Taraki. Watanjar saved his life by escaping to a Soviet base in Bagram, 60 kilometers from Kabul.)

The coup was also aided by Col Muhammad Surur's 4th Armored Division. A few months later, Surur was removed from his position and assigned as a military attache in New Delhi. Surur admitted later that he resented his arbitrary removal and was opposed to the Soviet invasion. On 16 August he left New Delhi for Pakistan to seek political asylum for himself and his family.

The insurrectionist's first action was to rescue the six members of the Central Committee. Taraki was released from prison to head the party and the government. He appointed Barbak Karmal, Parcham's secretary before the merger, as his deputy. The ministerial portfolios were divided equally between the two reunited parties. Taraki announced his party's reform program over the radio. That program, however, marked the beginning of a new split over a number of issues that have since come to the forefront.

- A struggle over power between Karmal and Hafizullah, acting as a proxy for Taraki. The struggle later assumed an ideological character.
- Taraki and Khalq Party monopoly of power. A secondary issue was Taraki's popular support.
- Relations with the Soviet Union.

- A dispute over a Khalq Party decision to adopt a new Afghan flag showing the party's emblem.

- A dispute over the reform program enunciated by Taraki in the name of the Revolutionary Council.

These events coupled with Taraki's determination to carry out his own projects led to an escalation of the conflict and rendered united action impossible. The struggle culminated with Taraki's promulgation of a law outlawing Parcham and ordering that group's central committee members into exile outside the country. Taraki ordered raids on Parcham Party local headquarters and imprisoned their leaders, scarcely 3 months after the successful coup. To mend his relations with the Soviet Union, he signed a friendship treaty with the USSR on 5 December, 1978. One of the articles of that treaty committed the Soviet Union to defend Afghanistan.

The outlawing of Parcham produced a negative reaction among the liberals, the leftists and the educated class, who began to organize opposition to the new and, in their view, purely ethnic government. The elimination of Parcham concentrated power in the hands of the Durranis, a Pashtun tribe whose members form the dominant ethnic group in the country. There were repercussions within the party itself as well. In protest against what they described as persecution and oppression, the leftist *istila-yi Milli* faction broke away from the party. Immediately thereafter this group began to mount armed resistance against the party. Its three leaders were later imprisoned and executed. The concentration of power in the Khalq Party was opposed by the religious groups, who had been fighting alone. They intensified their struggle and thus encouraged a significant number of the military and the educated class to leave the party and join the leftist or the religious opposition. The intensified opposition paralyzed the government. The countryside fell to the rebels and the government lost complete control of many parts of the country. The many religious groups in the opposition were unanimous in their condemnation of the godless government and foreign control. Meanwhile, the Parcham Party, whose leaders had been placed in the *Tul-i Charki* prison near Kabul for reindoctrination in Khalq Party ideology, maintained a complete negative silence to protest the Soviet alliance. Other liberal and leftist groups such as the *al-Shu'lab al-Ahadiyyah* [Eternal Flame] Party, a Chinese-leaning communist group, the *istila-yi Milli* faction, and the Afghan Milli Party, a socialist democratic group, declared their rejection of foreign control, and opposed the loss of civil liberties and the monopoly of power.

The third aspect of the struggle was based on ethnic grounds. Afghan society is made up of several ethnic groups: Pashtuns, Tajiks, Hazaras, Uzbeks, Baluchis and Turkomans. Control of the government was in the hands of only one tribe of Pashtun origin. The other tribes--mostly nomads and religious traditionalists--were quick to join the opposition. The remaining 85 percent of the country's population joined the opposition in protest against Taraki's ethnic government.



Faced with such varied and overwhelming opposition, Taraki's problems were multiplied. While Afghanistan became a battlefield, opposition from within the party began to surface. The demise of his government became a matter of time. The government soon lost control of the entire country except for Kabul and 12 other towns. The rural areas fell to the opposition.

Some observers believe that Hafizullah Amin maintained a cautious watch while Taraki concentrated power in his own hands and became the focus of hero-worship among his supporters. It was apparent that he was not happy over Taraki's wooing of influential military leaders, including Aslam Watanjar, the former interior minister, and the hero of the April, 1978 coup. And although it was evident that the Soviets were determined to support Taraki to the end against his rivals in and outside the party, Hafizullah Amin felt that he could become the beneficiary of that support were he to decide the struggle in his own favor and acquire control of the government and the party himself. Indeed Hafizullah made his direct move immediately upon Taraki's return from a non-aligned nations conference in Havana via the Soviet Union, which assured him of continued support against the Moslem rebels and the rest of the opposition. The outcome of Hafizullah's coup and the three bloody days of fighting that accompanied it was that he succeeded in removing his enemies. In a series of bloody liquidations, Hafizullah succeeded in eliminating tens of officials of questionable loyalty. The coup had been in the planning stage since the April, 1978 coup, and it came at a time when Taraki, the party's father and spiritual leader, was occupied with putting down Moslem rebels, turmoil within the military, and experiencing difficulty in running the government.

Amin succeeded in executing his president, Taraki, imprisoning his wife and liquidating his friends and a large number of his military supporters. Two important Taraki supporters, however, Colonel Watanjar, the former interior minister, and Gulabzoi, the former minister of communications, who had played a crucial role in the April coup, managed to escape to a Soviet military base in Bagram, 60 kilometers away from the capital [Kabul].

The officials of the Soviet base refused to surrender the escaped leaders to the new president, a development which aroused his resentment and became a serious factor in his later relations with the Soviets.

Things did not go well for the new president as quickly as he had hoped. The bloody confrontation at the government's palace was to lead to violent consequences later. Taraki, after all, had enjoyed the respect of the military officers who were party members. His violent, tragic removal was bound to whet the appetite of some officers for a counter-coup. Dissension within the party, too, had weakened the president's ability to control the government and the army at a time when rebel attacks against government centers and roads were escalating. The mountainous sections of the country and much of the rural areas were gradually falling under rebel control. The effects of the Iranian revolution and its direct confrontation with

the United States were boosting the morale of the rebels. The call for Islamic unity, complete independence from the West, and the creation of an Islamic civilization based on justice and compassion was getting louder. The attack on the grand mosque in Mecca added fuel to an already agitated Islamic world. Asian Moslems were demonstrating in India, Pakistan, Indonesia, and the Philippines.

These developments, coupled with the deteriorating internal situation in Afghanistan inflamed the rebels further. Conditions for a change of government, to one free of foreign influence, were excellent. It was recognized that a change favorable to Islam will have strategic implications for the entire region, particularly for the five Islamic republics in the southern part of the Soviet Union, where lived 50 million Moslems of the same ethnic and tribal origin as those of Afghanistan and Iran.

Furthermore, Amin was unable to bring a favorable end to the struggle between his supporters and those of Taraki. He was twice the target of assassination attempts. The second attempt in which he was slightly injured took place on 27 November [1979] when a military detachment attacked the presidential palace. Military insurrections were becoming more frequent. The most serious insurrection involved a 1200 man unit in the town of Asmar in Konar province. It came on 23 August of last year. This was followed by sieges against two military posts in Barikowt, also in Konar province. These sieges were mounted by Moslem rebels, who on the same day, 9 September, 1979, besieged a 6000-man garrison in Bakhtiar the provincial capital of Gardez. There were other uprisings in Hirat, Jalalabad, and a garrison southeast of Kabul. Desertions to the Moslem rebels were also increasing.

All these preludes signalled that a tragic end of the government was imminent, leading Amin himself to ask repeatedly for Soviet aid during his last three speeches. It was apparent, however, that the Soviets were not about to aid a weak government, an action that could create new problems for them. The Soviet position was made amply clear when one Moscow official said openly that his government might abandon Amin, but not the Afghan revolution. In addition to experts, military technicians and soldiers who man positions atop Kabul's tallest buildings and guard its major intersections, there is a sizable Russian community in the Afghan capital. There are 400 children enrolled at the Soviet Embassy school. The Russians venture on the streets only in groups, quite often at great risk. On 15 December, 1979, two Russian men were killed and one woman was injured in the city's old bazaar by members of a religious resistance group. The group took credit for the incident in a leaflet distributed throughout the city, which said that the attack was meant to teach the occupiers a lesson.

Resistance groups including the Nasr and Ra'd fronts, as well as the Afghan and Islamic Resistance parties are progressive Islamic movements that are sympathetic to the Iranian revolution and advocates of an Islamic republic.

Immediately following the murder incident, the Soviets began to pour into Kabul in force. Some sources, however, dispute this and claim that heavy Soviet contingents had already arrived on 3, 4, and 7 December, 1979 [before the murder incident] on five daily flights aboard huge AN 22 transport aircraft. In either case, however, these planes were loaded with men, not weapons. News agencies reported that Afghan and foreign eyewitnesses had observed the soldier-packed aircraft leave the Kabul airport to unknown destinations. Hodding Carter, a spokesman for the United States State Department, reported that a 1500-man Soviet paratroop contingent was sent to a location near Kabul, and put the Soviet presence in Afghanistan at 5,500 soldiers and advisers. Mr Hodding Carter said that the Kabul airport on 25 and 26 December was transformed into a Soviet air bridge, with giant AN-28S and smaller AN-12S aircraft making more than 150 daily trips. Another American report indicated that the Russians had placed five divisions on the Soviet-Afghan border, and had moved two other divisions that had been positioned on the Iranian border near Afghanistan.

Other news agencies reported that approximately 5000 Soviet soldiers of Tajik and Uzbek origins from the southeastern part of the Soviet Union, who speak the Tajik and Uzbek languages, and who are indistinguishable from their Afghan counterparts, had been posted in the capital's [Kabul] streets and around the radio station and principal government buildings. REUTER reported that some Parcham members wore special identifying markings and joined the Soviet troops.

Observers agree that the Soviet intervention in Afghanistan has three objectives:

- To scuttle the weak Amin government and replace it by a Karmal-led government.
- To put an end to all vestiges of the former government and hand control over to the Parcham Party.
- To strike a final blow against the Moslem rebels in the rural areas.

It is expected that as soon as these objectives are achieved the Soviets will withdraw. This expectation is based on a promise made in Oslo by the Soviet Ambassador Alexander Kirmischno to Norway's prime minister.

Observers say that the Western news agencies did not expect the Soviet forces that entered Afghanistan 3 days before the coup to take a part in scuttling the Amin government in favor of a Karmal one, particularly since the latter had been in exile in Czechoslovakia and did not appear on television or in public until 1 January, 1980. Everyone was convinced that the Soviet troops entered Afghanistan to shore up the Amin government against the rebels. No one suspected that the massive influx of Soviet troops was intended to restore the Afghan Communist Party to power, after

having lost it on two previous occasions. Needless to say, the Soviets had repeatedly proclaimed their support for Nur Muhammad Taraki, then to Hafizullah Amin, as their strategic allies. Both sides had already made their alliance official by signing a friendship treaty between the two countries. Article 4 of that treaty committed both nations to good, neighborly relations, to the United Nations Charter, and to the security and mutual respect for one another's sovereignty. The two countries pledged to consult with each other, and to increase military cooperation in order to enhance both countries' defense capabilities. It is this article of the treaty that the Soviets have used as a legal pretext to enter Afghanistan. The irony is that instead of aiding Amin, who had signed the treaty, the Soviet troops helped to oust and execute him, to pursue his supporters and to install Karmal, the secretary of the officially outlawed Parcham Party, as president and chairman of the revolutionary council.

It must be noted, however, that the installation of a weak government will not put an end to the problems that could be posed by the Afghan National Army and the supporters of both Taraki and Amin. In fact, incidents of military resistance have already compelled the Soviets to place all suspect Afghan army units under siege.

Meanwhile, the massive flow of Soviet troops across the Oxus River into Afghanistan continued since 30 December, 1979. Their number has been estimated at 15,000. They were immediately sent to Jalalabad, where they took positions. Other contingents were dispatched toward Hirat, Qandahar, Mazari Sharif and Garelez. The FRENCH NEWS AGENCY reported that two Soviet armored divisions fanned into the country to gain control of the major cities, apparently intent on launching an all-out attack against all resistance to the new government. The news agency put the total number of Soviet troops to date in Afghanistan at 25,000.

The Soviet force has succeeded in wresting control of the South Takhar province from the rebels. The bloody battle, according to Pakistani reports, in which 400 rebels died, cost the Soviets one full brigade. In Bakshan province, east of Takhar, which was controlled by Jamiyat Islami rebels, a Russian division successfully attacked and captured Ishkashim, near the Chinese-Soviet border. Other Soviet troops moved toward territory controlled by the al-Hizb al-Islami, which is headed by Mawla Muhammad Yunis Khalis, who has many offices in villages along the Pakistani border, particularly in Miram Shan, which, so far, has not been reached by the Soviet troops. The Soviets, however, have attacked the central headquarters of al-Hizb al-Islami in Jalalabad, in the Ghazi and Khost regions as well as in Katia Province. According to recent press reports, a number of regular Afghan army units have deserted and have joined the rebels in fighting the advancing Soviet troops. A number of Soviet attempts to send munitions and supplies by way of Qandahar airport reportedly have been defeated. While the Russians are in the city, they do not control it.

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## AFGHANISTAN

### POLITICAL GROUPS IN COUNTRY DESCRIBED

London AL-DUSTUR in Arabic 3-9 Mar 80 pp 31-34

[Article by Ahmad Jawad: "The Political Map of Afghanistan"]

[Text] Afghanistan's multi-ethnic society was formed relatively recently, toward the end of the 18th century. The country is large and not connected by a modern transportation system. Its people exhibit a variety of cultural backgrounds and are of diverse anthropological origins. Lately, a new dimension has been added to this complexity: a political one. This additional dimension has had a deep influence on modern Afghan society, making life more difficult and contradictory in a country that, as destiny would have it, has become the arena of the most recent international conflict.

### Foreign Intervention and Internal Parties

The Afghan struggle could have remained bloodless had it not been for the fact that it was carried outside its national framework into the international arena, where conflicting political interests are bent on exploiting to advantage the country's already existing political, economic, and racial divisions. The eagerness of these foreign powers to impose their will has transformed the once simple, pastoral country into an arena of warring strategic interests. Foreign influence was made possible with internal help from the country's political parties, some of whom bear the responsibility for having paved the way for the economic turmoil in which the country first found itself, for the political upheavals it now faces, and, finally, for the foreign military intervention which has removed its [the USSR's] former allies in the People's Democratic Party from power, only to impose a new and more loyal group of strongmen from the Parcham Party at the helm of government.

For a better understanding of the political and armed struggle in Afghanistan, it is necessary to examine the country's political map, and to identify and assess the relative political and military strength of its parties, their roles and their goals. It is hoped that this will clarify the confusion surrounding the functions and objectives of most of the parties in a fair and objective manner.

## Khalq and Parcham--Alliance and Conflict

### 1. The People's Democratic Party (Khalq)

This party was founded in 1965 at Nur Muhammad Taraki's initiative. The first party congress was held secretly in Kabul in December of the same year. The congress was attended by people from a variety of social strata, with the majority belonging to the educated class (Nur Muhammad Taraki, Hafizullah Amin, Muhammad Sulayman Layek, Mir Akbar Khaybar), a group of army officers, and a few city businessmen and government employees. Taraki was selected to serve as the party's secretary general. The party's basic principles were nationalistic in character: to liberate the country and create a greater Afghan nation, one that includes the Baluchs of Iran and the Pashtun of Pakistan.

The party laid down a program of reform, but refrained from using in its literature any terms that smacked of Marxism or socialism. Taraki viewed his party as the logical replacement for Parcham, the Afghan Communist Party, which, according to him, had failed to attract popular support due to the Afghan people's natural mistrust of any political philosophy that is removed from Islam and its traditions. The party waged a spirited campaign to attract popular support and succeeded in building a sizable base among the educated class, an achievement that made it more attractive to the masses. A few months later, the party was joined by Babrak and his Parcham party, which, literally, means the "Flag." The merger of the two groups resulted in a powerful political force. The new party's candidate, Babrak Karmal, soon won election to the Afghan National Assembly, further advancing the party's influence.

Things, however, did not continue to go smoothly for the party. Personal rivalry and ideological disputes soon erupted between the leaders of the newly united groups and led to a complete rupture in 1967. The split continued until the end of King Tahir Shah's reign, when the two parties formed a common alliance with then prime minister Muhammad Da'ud. A military coup, aided by the Soviet Union, succeeded in putting an end to the monarchy and replacing it by a republic. The first cabinet [of the new government] consisted of ministers from both Khalq and Parcham, who wasted no time in coming to blows over power. A new struggle soon raged between the two parties, in which Muhammad Da'ud intervened on the side of Parcham. The political results were disastrous. The two parties were immediately embroiled in a war of accusations, which ceased only when Da'ud ordered the jailing of 6 Khalq central committee members. Among those imprisoned were Muhammad Taraki, Babrak Karmal and Dr 'Inayat. Da'ud was determined to execute the 6 inmates, and set 29 April, 1978, as the date for carrying out the death sentence. Internal and external forces went into action quickly. Hafizullah Amin, then in charge of military organization, was charged with the task of engineering a military coup. He was assisted in this effort by General 'Abd al-Qadir, Colonel Islam Watanjar, and Colonel Muhammad Surur. The coup took place on 27 April, 1978. Muhammad Da'ud was murdered, and the insurrectionists formed a 35-member revolutionary council, mostly from Khalq, under

the leadership of Nur Muhammad Taraki. Following the coup, a new cabinet was formed, with 11 ministries going to Khalq, and 10 to Parcham. Barbak, Parcham's Secretary General, was appointed Deputy Chairman of the Revolutionary Council. Three months later, however, the conflict erupted once again and unity was shattered forever, when Taraki issued a proclamation outlawing Parcham and removing Karmal and his central committee from their government posts. They were given diplomatic assignments abroad.

The new situation led to massive organizational problems within Khalq. In protest against concentrating control exclusively in the hands of a group of 'Uranite leaders of Pashtun descent, a Leftist faction, later designated Setam-i Milli, or the party against oppression, broke away from the party. As a result, the ruling party lost much of its popularity and the gulf between it and the opposition became wider. Inter-party disputes mounted and culminated in the August 16 coup led by Amin, in which the popular leader Taraki was killed. The outcome was general turmoil at all levels of the party. Consequently, the ruling party's Soviet allies had little choice but to intervene to save the situation and to replace the isolated party by one more effective in implementing their designs. This took place at the end of last year with the installation of Karmal at the head of the government. Karmal's first action was to kill the Khalq party's "iron man," his family and friends.

## 2. The Afghan Communist Party, Nicknamed Parcham, Meaning Flag or Banner

Many analysts consider Parcham a splinter faction of the Khalq party. The truth is that Parcham is a splinter faction of Afghanistan's oldest Communist party, al-Shu'la al-Abadiyyah [the Eternal Flame]. The breakup came in the wake of the general turmoil that plagued the International Communist Movement in the early 60's, when Communists worldwide were dividing along Chinese or Soviet lines. Toward the end of 1964, Karmal emerged as the leader of Parcham, the Soviet-leaning faction. In view of Parcham's weak political position then, it opted to merge with Khalq in 1965.

It was as a member of Khalq that Karmal--the political fox, as he is often referred to--began to expand his influence through his famous speeches in the Afghan Parliament. His close ties to the progressive elements of the party led to collisions with the party's iron man, Hafizullah Amin. When the quarrel became intense, Taraki, the party's secretary general, took Hafizullah's side, thus foreclosing any chance for continued [party] unity. Karmal and Parcham eventually broke away from Khalq in 1967, but not before they took with them some of Khalq's most prominent and educated leaders such as Muhammad Sulayman Layek, Mir Akbar K'aybar and 'Inayat Batbazab (Karmal's mistress at the time and minister for social affairs following the April, 1978, coup). The rupture lasted until the last days of Tahir Shah's monarchy, when the party had become so weakened that the Soviet Union became concerned that it may lose out to its powerful competitors, the religious parties. [The Soviet Union] having persuaded Da'ud and supported both Khalq and Parcham, succeeded in having Afghanistan declared as a republic in 1973. This development ushered in a new era of conflict over the reigns of power, which ended only when Parcham left the ruling party to join the opposition once again, and began preparations with Khalq for the 27 April, 1978, coup.



Following the coup, Karmal served as Deputy Chairman of the Revolutionary Council. He used his office to perpetuate his influence over the nation's centers of power, especially the 3 military ministers. He was assisted in this by his father's reputation, who had once served as an army general. Through his new connections, he was able to enlist the support of the Defense Minister, General 'Abd al-Qadir, who, henceforth, remained loyal to Karmal. During the first 6 months after the coup, General 'Abd al-Qadir was nearly executed after having been imprisoned on a charge of conspiring [against the government] with Army Chief of Staff Sahpour Ahmad Zai, the Afghan economist Sultan Ali Qatchamand--who was recently appointed by Karmal to head the Ministry of Economics--and Dr Mir 'Ali Akbar. The trio admitted the charge and their confessions implicating Karmal and foreign sources were subsequently broadcast over the radio. At the time, Karmal was serving as his country's ambassador in Prague. The revelation of the conspiracy charges prompted Afghanistan's Foreign Minister to order all Parcham Central Committee members on diplomatic assignments overseas to return to Kabul. All of these, however, preferred exile over the loss of their positions. Meanwhile, the leaders of Parcham and many of its rank and file members were sent to Yuli Sharki prison near the capital and remained there until 27 December, 1979, when Soviet tanks swept Hafizullah from power and replaced him by his old rival, Karmal.

### 3. The Setam-1 Milli Movement (The People's Movement Against Oppression)

This group split for ethnic reasons from Khalq soon after the latter came to power. The dispute between the two later acquired an ideological character. The actual split followed the outlawing of the Parcham party and the subsequent concentration of power in the hands of Burraní tribesmen of Pashtun origin, when sensitive governmental positions were barred to all other ethnic groups.

This movement, which takes its inspiration from religious and Sufist ideas, flourished in the major cities, principally Kabul. Its leaders are counted among the country's most educated people. They included Tahir Badakhshi, the movement's leader, the well-known Afghan poet, Qazan Bakhtilali, and Barudin Buy. The three men were also sent to the famous Yuli Sharki prison.

The movement is responsible for numerous military operations, the most famous of which took place on 14 February, 1979, when four of its members kidnapped US Ambassador Dubs and demanded the release of their three imprisoned leaders in exchange for the ambassador's life. When it became evident that the Taraki Government had executed the leaders, the terrorists killed the ambassador.

Members of the Setam-1 Milli movement have played an active role in mobilizing sentiment against the Pashtuns' monopoly of government control. Their activity was most intense in the eastern provinces, especially in Badakhshan. They have succeeded in arousing the Tajiks, who make up the second largest segment of the population after the Pashtuns, and who have traditionally enjoyed a

degree of independence from the central government. When the government decreed to make Pashtu the language of instruction in the schools, the Tajiks revolted. The government's effort to force the issue in the provinces was only of limited success in the face of strong and flourishing religious movements.

#### 4. Shu'leh-yi Abadi (The Eternal Flame)

This is the Chinese-oriented faction of the Communist Party. The Soviets describe it as the only well-organized opposition to the government. This party, according to its underground newspaper, looks upon Khalq as a reactionary party, and upon Parcham as a group of Soviet provocateurs. This party waged a continuous struggle against Muhammad Da'ud when the country was still a monarchy. It persists in its opposition role to this day. Because of numerous blows against it, the party has been weakened and its political influence has diminished. It is now involved in the armed struggle against the government.

#### 5. Milli Afghani Party

This party is based upon socialist, democratic principles, and is a minor member of the International Socialist Movement. It was founded by Afghan students who had studied in Western Europe. When they returned to their country, they maintained close ties with their international socialist counterparts. The party plays an insignificant role in the country's political life and does not carry out armed operations. Its significance is gradually diminishing.

The religious parties which lead the armed struggle against the Khalq ruling party and Parcham are also numerous and follow a variety of orientations. The most important ones are described here.

##### 1. The Islamic Party

Numbered among the most powerful religious parties, the Islamic Party is led by Mawla Muhammad Yunis Khalis and Mawla Jalal al-Din Haqqani. The party's primary forces are found within Afghanistan, and only recently was a party office opened in Peshawar, Pakistan. Khalis heads the party's guerrillas in Jalalabad, while his deputy, Haqqani, performs the same task in the Ghazni and Khust regions. The party's second deputy, Muti' Khan, leads a third contingent in Bakhtia province. The party's armed strength is estimated at 3,000 men. The party runs a portable radio station in Konar province, and its broadcasts are heard in central Afghanistan and the eastern region. During the first week of the new year [1980], the party's radio station made repeated appeals to Soviet soldiers of Tajik origin to desert and join the rebel forces. Reports from news agencies indicated that 14 Soviet soldiers responded to the appeal and joined the Islamic Party.

The party is looked upon as radical in comparison with al-Jami'a al-Islamiyya or other conservative groups. It had fought against the monarchy and against Da'ud. It continues to fight against the present government.

The party calls for the creation of a revolutionary Islamic republic similar to the one in Iran. It is now engaged in fighting the Soviet troops in the area under its control. Its fighters have acquired an excellent reputation for brilliant tactics, thanks to the many Afghan Army deserters who have joined the party's fighting men. A party leader said recently: "We have many Soviet-trained officers, and they are laying the strategy for fighting the Soviet forces."

The party's history is marked by one rupture, which occurred when Engineer Ghalib al-Din Hikmat Yar led a group of dissidents out of the party. For this reason there is often some confusion between the Islamic Party which continues to be led by Yunis Khalis and the splinter party led by Ghalib al-Din al-Islami.

## 2. Jami'yyat Islami

This party was founded by Afghan graduates of Egypt's al-Azhar University, including Muhammad Niazi, currently a prisoner in Kabul, Burhan al-Din Rabbani, the party's leader, and Mawasi Twan. It was founded in Kabul in 1957. During its early years, the party opposed the monarchy, but when the Leftist movement became increasingly active in the mid-60's, it retreated from its opposition role lest the monarchy become an instrument in the hands of the Leftist groups. The party is known for its conservative philosophy and for its ideological and political connections to certain foreign nations including its Pakistani counterpart, which is headed by Diya' al-Haqq, who gives the party financial assistance and special support.

Diya' al-Haqq has for a long time been trying to lead an Islamic revolution. His three attempts to date have failed. The first attempt took place on 13 August 1979 in West Germany. It involved four religious groups who announced that they would assume the title "Biman Ittihad Islami," meaning the Union of Islamic Fighters. The union did not last very long. The religious leaders met again to discuss unity in Peshawar following the Soviet intervention, and announced on Monday, 27 January, [1980], the formation of a new confederation consisting of 5 religious groups. The groups included the Islamic Party (the Yunis faction), the Ghalib al-Din Hikmat Yar group, Jami'yyat Islami, the Islamic Revolutionary Movement, and the National Afghan Front. Before long, newspapers announced the creation of a third alliance, concluded on 12 January, [1980], and involving three armed Afghan groups. There were Jami'yyat Islami, the Islamic Revolutionary Movement, and the Afghan National Liberation Front. The new alliance was called the Islamic Unity Concordat.

### 3. The Afghan Mujahideen Movement

The movement appeared in 1965 and was primarily confined to the Shiite community. Its original name, the Islamic Revolutionary Guard, was changed 9 years later, in 1974, but the ideological thrust of the movement was preserved in the new designation: the National Mujahideen. In 1977 the name was again changed, this time to the Afghan People Mujahideen Movement. The movement has close ties with Iran's religious groups, and seeks to establish an Iran-style Islamic republic. Despite the fact that it was spawned within the Shiite community, the movement has expanded to include Sunni elements and to acquire an important Afghan character. Ahmad al-Husayni and 'Ali Ghaffuri are two of its leaders.

### 4. The National Liberation Movement

This movement, led by Sahbatullah Mujaddadi, also seeks to establish an Iran-style Islamic republic. The movement's two most important military operations were the siege of the army garrisons at Barikut and Tchiga Sari in Konar province on 1 September, 1979. The movement is dedicated to the creation of an alliance encompassing all Islamic revolutionary forces. For this reason it joined all the alliances described earlier.

### 5. The Ra'ad Party (The Thunderbolt)

This group, which operates secretly within the Shiite community, did not gain significant recognition until it organized the al-Hazar demonstration in June of last year. The violent demonstration resulted in the death of 10 demonstrators. The movement operates secretly and has close ties with the Iranian revolution.

### 6. The al-Nasr Party (The Victory Party)

This party's activities are concentrated in Kabul and Badkashaf. The major activity is the assassination of Soviet soldiers. The group's last operation occurred on 13 December, 1979, and resulted in the killing of two Soviet soldiers in a Kabul bazaar.

There are several other minor groups. An example of these is the group led by Gaylani (the American sympathizer) who seeks to restore the monarchy and Zahir Shah. There is also the Islamic Afghan Movement which was founded in Iran and became popular among that country's Afghans. The movement draws its principles from the Iranian revolution.

Little is known about the other small groups. Occasionally one hears about them in connection with military operations or when they engage in unity discussions.

Having reviewed the political situation, we now turn to some important observations.

- With the exception of the Shawli Jaqid and Jami'yyat Islami parties, most religious and political groups in Afghanistan came to life in the mid-60's, a very active political period in the country's history.

- Frequently, Parcham and Khalq are mistaken for one and the same party despite the fact that all attempts to unify the two groups have failed and that they have often engaged in bloody confrontations. The most violent confrontation is taking place at this time, as a result of Karmal's takeover of the office of Secretary General of the People's Democratic Party. His objective is to simplify the task of implementing Parcham's old design, which called for the elimination of the People's [Democratic] Party from the political arena and the eventual liquidation of its leaders and supporters. As Karmal recently said, his ultimate goal is to reduce the People's Democratic Party into a debating society, while maintaining an appearance of a coalition ruling party.

- The Western and even some Eastern news media describe the [Afghan] religious parties which cooperate with Pakistan as being reactionary. These media, however, fail to mention the other parties which receive Iranian support and which, of late, have had a good deal of influence on all the other Afghan groups and Islamic parties, including the leftist ones. The Iran-supported groups have succeeded in uniting all the fighting Afghan groups under the banner of an Iran-style Islamic revolution. The only exception is the Gaylani group, whose leader is known for his American leanings.

- Excluding the People's Democratic Party, all Afghan political parties have declared their opposition to the Soviet intervention and their rejection of the Karmal Government and his call for unity. Their leaders have announced their intention to continue the armed struggle against the new government.

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## AFGHANISTAN

### REPORTER INTERVIEWS INSURGENT CHIEFS NASSRY, HEKMATYR

Stockholm DAGENS NYHETER in Swedish 23 Mar 80 p 37

[Article by Henrik Alderin]

[Text] The guerrilla leader Zia Khan Nassry, 34 years old, is holding court at the Hotel Intercontinental in Peshawar. He came as a refugee to Pakistan where the group Islamic National Party was organized and as an adventurer and opportunist.

Comfortably curled up on the sofa in his elegant hotel suite, he makes a very charming impression. Traditionally dressed and with the typical Afghan cap, the paole, pulled down over his forehead, chain-smoking, jovially friendly, open and very "PR" oriented, he speaks, moreover, perfect English from his student days in the U S. at Massachusetts's Institute of Technology.

"By way of introduction, a majority in Afghanistan welcomed the new regime after the 1978 coup. But it soon showed that it monopolized power and sought to eliminate opposition. Since then 250,000 Afghans have been killed, and 100,000 political prisoners are in jail.

"Now the Russians are using gas and napalm against defenseless villages. It is nothing less than a systematic genocide of the Islamic population. The only remedy is a united opposition, and I consider myself the only one really working for it.

"I have been accused of using religion in a cynical manner. Perhaps it is so, but I have become disillusioned when I have seen all the failures in our efforts to create unity."

And then Zia Khan Nassry laughs in his contagious, hearty manner, as only a saloon rebel can.

Engineer

Gulbuddin Hekmatyar, founder of "Herzb-i-Islami Afghanistan", is a guerrilla leader with a completely different slant and significance, born 33 years ago in the province of Ghazni and raised in Kunduz.

He studied at Kabul's technical university, from which he received a degree in engineering. Politically active very early, he was already imprisoned during the reign of the earlier king, Zahir Shad, charged with militant Islamic agitation, and spent 18 months in jail.

After Sardar Muhammad Daoud came to power, Gulbuddin Hekmatyar continued, underground, his struggle against the increasingly prevalent corruption and growing anti-Islamic actions, sanctioned by Daoud and his regime.

A leftist student was killed in a street fight by Gulbuddin Hekmatyar who was forced to leave the country. The party was organized with remarkable speed in Pakistan with the support of the then prime minister Ali Bhutto and succeeded in starting two very sensational revolts against the Daoud regime.

There is no doubt but that the 11 year old party is one of the best organized, with branches throughout Afghanistan. At the moment it is operating chiefly in Zabul, Kunar, Takhar, Baghlan and Nooristan but also, even if on a lesser scale, in Kanadahar and Badakhshan.

#### Their Own Hospital

The Party operates its own hospital in Peshawar. The head of the hospital is Dr Barakzai, who left Jalalabad in the beginning of January after having been under house arrest for four months. The journey over the snow-covered mountains to Pakistan took almost five days.

The hospital's 30 beds are occupied largely by Mujahidin's Moslem guerrilla soldiers. Mostly fractures and internal injuries are involved.

"We need orthopaedists, operating room personnel, medicine, laboratory equipment and special microscopes," Dr Barakzai says.

"We lack the most necessary items for the refugees: cloths, tents, blankets, medicine. In regard to food, sugar, wheat and rice are lacking. Many suffer from under-nourishment and infections. The severe winter cold makes even more difficult the situation of the refugees."

Our conversation is taking place in the headquarters of Hezb-i-Islamis, centrally located in the oldest part of Peshawar. The building is constructed like a fort, with a large open courtyard in the middle.

The entrance is guarded by soldiers with automatic weapons and glistening bayonets. Many people are buzzing around; the place hums with activity. The buildings house offices, conference rooms, study halls, and a print shop, divided between two floors. The room in which we find ourselves is very spartan: an area 8 x 8 meters, with a high ceiling, and benches, made out of old automobile seats, around the sides.



A little Afghan miniature rug with the Persian text, "With Allah's Will We Shall Be Victorious", hangs behind the simple desk.

Empty cartridge casings of different sizes stand on a shelf. The door is guarded by a soldier.

Throw Out the Russians

Gulbuddin Hekmatyar has been readily depicted by the western media as a fanatic, an Afghan Khomeyni.

"The mass media is used by many elements to serve their own purposes. Afghanistan is an Islamic country. Our goal is to fight for that. All who want to support us are welcome. But we don't accept any pressure or conditions.

"Our first goal naturally is to throw out the Russian invaders and to topple the communist regime. Then free elections in Afghanistan. We are working intensively on cooperation with all resistance groups in the country.

"We are going to make it very unpleasant for the Russian troops. In the towns and in the country. We are going to get them to long for home. They are going to learn that it is more difficult to keep a free people down than to fight those who oppress it.

"But the whole world should also know that we are poorly armed, do not have enough food and clothing, so we need all kinds of vital help from abroad for our soldiers and refugees. So we appeal to our brothers the world over to help us with materiel as well as economically, so we can fight the communist troops.

"So far we have been able to get along with the equipment which has been taken from the regular Afghan and Russian units: tanks, armoured vehicles, trucks, weapons and ammunition. But it is not enough, and we can not continue the struggle if do not immediately get help."

Gulbuddin Hekmatyar gives the impression of being a clever and a very self-assured person, with a clear ideology and whose integrity is indisputable. Perhaps it is just this more than anything else which disturbs so many western political critics.

Jirgha

I participated in a meeting with 4,000 Afghan tribal warriors, in a so-called Jirgha, twenty miles (Sw.) from Peshawar at the border of Afghanistan.

The men have come from all over Paktia, the easter border province of Afghanistan. Many travelled for four to five days to get here. They have come not only to participate in the Jirgha but also to buy weapons and

ammunition to replenish their food supply. Three youths from the group Herkat-e-Islami, a group whose members are considered to be fundamentalists and very tough soldiers, gladly discuss openly their activity.

"We are operating in Ghazni province and are specialists in combating tanks and armoured vehicles. There are many ways but we use among the enemy's own methods, rockets, made in the Soviet Union, stolen or seized in combat. In the beginning we had mostly old British 303 weapons but now many modern Russian weapons have come into our hands, not least because so many Afghan soldiers have deserted and gone over to the Guerrillas. We are here to buy weapons and ammunition for 300,000 Pakistani rupees (about 150,000 Sw.kr.), money which we have gotten from groups in Pakistan and from our brothers in the Arabic countries."

#### Shooting Into the Air

The Jirgha begins. The men are sitting tightly packed in a gigantic circle, 4,000 tribal warriors, armed to the teeth, young boys as well as old men.

The tribal chiefs and the guerrilla leaders whip up the emotions so the crowd is boiling. No one is sitting any longer; people scream and shout into the air. Knotted fists are brandished against an invisible but hated enemy.

The situation becomes more and more deafening and wild. The goal has been achieved. The leaders end the hour-long Jirgha. No one who has been here will ever doubt that this holy war and fight for freedom is necessary and that its goal is more than life itself.

The meeting with Sayed Ahmad Gailani, leader of the "National Islamic Front of Afghanistan" contrasts completely with this experience. A former businessman, now in exile in Peshawar, he is an aristocrat and very wealthy.

Around him are high officials from the previous Afghan Government, among others Hedayat Amin Arsale, at the moment on leave from a high position in the World Bank.

The party is financed by "friends" in the U.S., Saudi-Arabia, Kuwait, Pakistan and by King Zahir Shad, who was overthrown in 1973 and now is in exile in Italy.

I met Gailani in his home, an elegant villa creeping with servants and bodyguards. Respect for Sayed Gailani is great. According to tradition he is directly descended from the prophet Muhammed himself. His great grandfather is known to all Sunni Moslems in Afghanistan as one of the great religious leaders, and naturally this background has a great significance for the party's possibilities in recruiting people. The party has local influence throughout Afghanistan but especially in Paktia and Kandahar. It is said to command a guerrilla force of between 40,000 and 80,000 men.

### "Karmal is Being Used"

"We are striving for unity, but it must come about on the basis of acceptable principles. We shall oppose every kind of extremism. We believe in a moderate, modern Afghanistan, based on Islam and nationhood. But that will be decided by the people themselves after the Russians and their marionettes have been thrown out of the country.

"I know Babrak Karmal. He did not invite the Russians to come in. They are only using him. I give him only three months. Then he will have the same fate as his predecessor.

"Assadullah Sarwari, former chief of the Afghanistan intelligence service, KAM, a member of the politbureau and now also vice premier, is a real scoundrel. He is one of the strongest links between Moscow and Kabul. He has the nickname "King Kong" because he is known for his brutality and complete ruthlessness. Sarwari is directly responsible for the torture of several of present members of the government."

Thus, the Russians are pursuing their own political aims in Afghanistan.

6893

CSO: 3109

# KHALKHALI COMMENTS ON FATE OF HOSTAGES

Athens ELEVTHEROS KOSMOS in Greek 1 Apr 80 pp 1, 6

[Article by Alexandra Stefanopoulou]

[Text] In Iran he is known as the "Wandering Death" or the "Executioner of Tehran." He is one who will go down in history like Fouquet Teneville of the French Revolution, like all those who become intoxicated with purification and eventually identify themselves with justice or even God himself.

The incorruptible Ayatollah Khalkhali, the president of the revolutionary tribunals, the sword of Allah, who for 14 months now has been sending people to death by the dozens, is an undistinguished small, short-legged man, with unnaturally short fingers. He wears the traditional Iranian garb we have seen so often on TV since the Iranian revolution and which is reminiscent of that medieval era of the caliphates.

Ayatollah Khalkhali is always surrounded by eight bodyguards, and he blesses the crowds that he meets by raising his undersized arm and gazing coldly from behind his round, myopic glasses.

The day the news came that the shah was going to Cairo, Khalkhali left Tehran and from Rome flew to Tripoli in Libya. When the shah was still in power, another ayatollah who belonged to the "dynasty" of ayatollahs governing Iran today had mysteriously disappeared in Libya. But Khalkhali is not afraid that he may meet a similar fate today. On the contrary, his person is considered sacred in today's Libya. The authorities received him with great ceremony. On the anniversary of the closing down of the British bases in Tobruk, the ayatollah was the only official on the reviewing stand at the Green Square, to see the public demonstrations and the parade organized by the masses. Even the official delegation from Mauritania was seated on the adjacent platform together with the war veterans.

Khalkhali, moreover, made a speech and greeted the crowds that looked at him with awe and respect. With wide gestures under the multi-colored tent

of the reviewing stand, Khalkhali launched his invectives against Carter, the United States, imperialism and Sadat who is now more hated than Begin. Naturally, the slogan "Death to the Shah" was heard continuously.

The morning of 29 March, the ayatollah was to leave Tripoli for a visit to Benghazi. Around ten o'clock he appeared at the airport, surrounded as always by his bodyguards and was escorted to the plane. He, the other passengers, were asked to wait until the ayatollah and his entourage were seated in the first-class compartment. Then we went into the plane, passing through the first-class, greeting the ayatollah and receiving his blessings as though he were the pope! The trip from Tripoli to Benghazi lasts 1 hour. Shortly after take off, I was sitting next to Khalkhali, the man everybody in Iran fears. He agreed to respond to a journalist's questions.

Naturally, I could not find a "chador" this time as I had when I visited Ayatollah Sariatmandari in Qom. Nevertheless, I found a scarf to cover my hair and change my appearance into something more...decent, according to the dictates of the Koran. I have to confess that I was surprised when Khalkhali asked me to take the seat next to him. Sariatmandari in Qom had sent me to sit in one corner of the room with the interpreter and his secretary between us. This time the interpreter--an Iranian who happened to be one of the passengers and who spoke English--crouched on his knees in front of the ayatollah. The bodyguards were bending from the back seat listening to Khalkhali's statements and on occasion intervening [to correct] the translation.

[Question] "Please ask his holiness if his visit to Libya is related to the shah's recent move to Cairo."

[Answer] "He cannot speak on this matter," was the response.

[Question] "Did his holiness meet with Col. Qadhdhafi?"

[Answer] "He will meet with Col. Qadhdhafi in the future."

[Question] "How does he see the shah's presence in Egypt?"

[Answer] "His holiness responds to your question with these words: 'Wherever I find the shah we are going to kill him.'"

[Question] "In other words, his holiness will send some people to Egypt to kill the shah?"

[Answer] "No. His holiness will not be involved." To my questions his holiness responded without looking at me, addressing his answers to the interpreter as though I were not even there.

[Question] "Will the shah's move to Cairo have any effect on the fate of the hostages?"



At this point his holiness stopped giving short answers like delphic oracles and started talking at length, underlining his words with gestures.

[Answer] "With regard to the question of the hostages, his holiness replies that the Majlis, the Iranian parliament to which he has been elected, will decide. If the hostages are innocent they will be freed. Naturally, some of these hostages who made mistakes in the past [under the influence] of world Zionism will be punished. Only the innocent will be forgiven."

[Question] "In other words, will the hostages be tried?" I asked but my question was not translated because the ayatollah continued to speak, without paying any attention to me.

[Answer] "As soon as the Majlis begins its sessions, the fate of the hostages will be determined. Now they live as in a hotel with all the conveniences. After the Majlis sessions begin, a decision will be made as to whether they will be tried or not. If they are guilty..."

[Question] "To find who is guilty, you mean they all have to be tried, because otherwise how can you tell in advance who is guilty and who is innocent?"

[Answer] "Some of those who were spies will be tried... As you know, we asked the United States to return the shah. But Washington did not return the shah; instead its activities are directed against the Islamic revolution. For this reason, some of those spies who were constantly spying will be tried and if they are innocent they will be freed. If they are guilty they will not be freed. They will go to jail. Now they live with all the comforts of a hotel. But in jail they are not going to have any of these conveniences. They will be in jail, pure and simple."

[Question] "How do you know that some of them were spies?"

[Answer] "Carter does not care about the hostages (why do I say 'hostages?'-- spies I should say). Because if he cared about his spies he would turn over the ex-shah to Iran. Everybody knows that the ex-shah stole the money of our people. He killed 300,000 young men. He destroyed our country. Then he fled to America. America accepted him. Why did Carter refuse to give us the shah? Why did Carter send the shah to Egypt? Why? Both America and Egypt work against Iran. Begin, Sadat and Carter work against the peoples of the Islamic countries and especially against Libya, the people of Egypt, Jordan, Iraq... In the Near and Middle East they work against the Moslems in the Islamic countries. There was a gangster by the name of Kaltagirone who lived in America. Washington, in response to an Italian request, extradited Kaltagirone to Italy. Why don't they extradite the ex-shah of Iran to Iran? Kaltagirone may have stolen some money. But the ex-shah stole billions of dollars. He killed 300,000 young men. Why does not Carter give the ex-shah back to Iran?"



The pilot of the plane turned on the "fasten seatbelts" sign and I hastened to ask a few more questions before we land.

[Question] "What do you think about the relations between Greece and Iran?"

[Answer] "The relations between the two countries are good. We are very much interested in the Greek people and the Greek government. There are no problems between the two governments."

[Question] "Following the opening of the Majlis, will the Iranian students continue to have power in the country?"

[Answer] "What do you mean?"

[Question] "I mean that, for example, the students had the power to take over the American Embassy, arrest the hostages and do as they please. Will it be possible for them to continue like this in the future?"

[Answer] "No." Khalkhali's answer is short, direct and allows no objection.

[Question] "One last question. Is the purge in Iran over, or will the executions go on?"

[Answer] "No." Khalkhali's voice rises again. "The purge is not over. Now and in the future, anyone who will dare to raise his arm against the Islamic revolution will be punished. The people are with me."

The plane has begun its descent toward the Bengazi airport. I rise from my seat and bid the ayatollah farewell while the interpreter hastily adds the ayatollah's last words. "Sadat will have the same fate as that of the ex-shah. Sadat has isolated himself from Islam and the Islamic peoples."

[Question] "Thank you. I hope to meet you again in Tehran," I say while I note down Khalkhali's prediction about Sadat.

[Answer] "Inshallah! God willing," he replies, turning his small, round eyeglasses in my direction for the first time.

7520  
CSO: 4908

# USSR HESITANT IN ADOPTING FINAL POLICY TOWARD IRAQ, IRAN

Paris NAMEYE RUZ in Persian 18 Apr 80 pp 4, 5

[Excerpts] The ambassador of Iran in Moscow advised the Soviet authorities not to put the arms required by Iraq at the disposal of this country from now on. The agreement of cooperation and exchange between the Soviet Union and Iraq was signed many years ago.

The BBC commentator said about the Soviet position versus Iran and Iraq that when the shah's regime was toppled, the Soviet Union praised Iran's Islamic Revolution as a victory of the people over imperialism, whereas, for many years, the Soviet Union had good relations with the shah's regime. However, as the progress of the revolution encountered gradual disorderliness, and Iran was drawn into disturbance and disquietude, the Soviet Union gradually criticized Ayatollah Khomeini openly. The Soviet Union concluded an 8-year correlation treaty with Iraq. It also invested considerable sums for the purpose of expanding Iraq's technology and for equipping Iraq's armed forces. However, even before Iran's revolution, the relations between the Soviet Union and Iraq started deteriorating due mainly to the cruel policy of Saddam Husayn who was then the deputy prime minister and Iraq's powerful man. Saddam Husayn aimed his cruel policy at the communists of Iraq who were looking for an opportunity to penetrate into the army of Iraq.

Recently, when the Soviet Union occupied Afghanistan, Iraq condemned the Soviet Union strongly. Now that Iraq and Iran are using slogans of toppling each other's governments, and are also busy in border skirmishes, the Soviet Union finds itself in an uneasy and unfavorable situation. There is not much difference between this situation and the incidents which took place in Somalia. At that time Somalia, one of the Soviet Union's favored countries, decided to occupy the state of Ogaden in Ethiopia which was formerly backed by the Soviet Union. As we know, with the development of this situation, the Soviet Union forgot its old ally Somalia because apparently it realized that it would be more advantageous to support Ethiopia.

In the present crisis which has arisen between Iraq and Iran, the selection and the preference of one of these two countries over the other is not an easy task. The Soviet Union would probably hesitate to discontinue its military assistance to Iraq because then Iraq would also cancel its treaty of friendship and cooperation with the Soviet Union, i.e., the same policy that Egypt and Somalia had adopted previously. On the other hand, Iran and the Soviet Union have a common border, and if the relations of the Soviet Union and Iraq deteriorate further, the Soviet Union might show a strong tendency toward siding up with Iran because the Soviet Union is constantly concerned about the internal security and stability of its neighbor countries as it recently became evident in Afghanistan. However, the Soviet Union has actually no interest in overtly supporting the Iranian Government because from the ideological point of view the Soviet Union considers Iran to be against it, and it thinks that in principle Iran's state of affairs is unstable.

Under the present circumstances the Soviet Union sees itself in a situation which forces it to reflect the anti-American sentiments prevalent in Iran due to President Carter's warning that he would utilize all the available means even military force for the release of the hostages. However, the Soviet Union actually prefers that the problem of the hostages be resolved through diplomatic means. It may even be in the interest of the Soviet Union to assist in resolving this problem because by solving the problem which created this impasse, the increase in America's might in the Persian Gulf region will be prevented and the international tension brought upon the Soviet Union because of its occupation of Afghanistan will be reduced somewhat.

Meanwhile, the Soviet Union denied President Carter's national security affairs adviser Brzezinski's claim based on the concentration of Soviet forces on the border of Iran. The Soviet Union still claims that its treaty of 1921 with Iran gives the Soviet Union the right to enter its military forces into Iran, should the interests of the Soviet Union be threatened from the Iranian territory, even though Iran's present regime does not agree that this treaty is right.

Undoubtedly Iraq is looking for an opportunity to propound its as well as other Arab countries' claim that some of the areas of the Persian Gulf have been officially annexed to Iran. However, generally, the main danger which threatens Iran's territorial integrity is from the Soviet Union which deeply agrees to support a leftist government or a leftist group which claims to be looking for the opportunity to lead the revolution to its original and basic course.

## IRAN

### OIL INDUSTRY REGISTERS GAINS, LOSSES

#### First Well in Ilam

Tehran BANDAD in Persian 5 Apr 80 p 2

[Article: "Governor General of Ilam: First Well Drilled in Ilam Area Strikes Oil"]

Exploratory operations have confirmed the existence of rich volumes of oil in the area.

The Ba'th government of Iraq, with the cooperation of foreign companies, has drilled oil wells within 35 meters of the Iranian border.

The agreement between Saddam Hoseyn and the deposed shah concerning the new borders between Iraq and Iran will be nullified.

In an interview with PARS NEWS AGENCY, Asghar Ebrahimi, the governor general of Ilam, talked about the state of exploratory drilling for oil as well as oil resources, the attempts of the Iraqi government to drill for oil, the state of the Iraqi government, the vain efforts of the Ba'th government of Iraq against the Islamic government of Iran, and the strengthening of gendarmerie posts.

In reference to the injunction against drilling in Ilam province in effect during the past regime and to renewed drilling in this region he said:

"In 1972-73 [51] an agreement was made in Algeria between the deposed shah and Saddam Hoseyn which forced new borders on Iran and gave Iraq a large amount of Iranian border land and many fertile pastures. In accordance with this new border agreement, a number of swamps in the Azadegan plain and various mountainous sections of land were left to Iran. The governor general of Ilam said that since this agreement was

most likely initiated by the CIA, it cannot be honored. According to this agreement, development projects which had already started, including the extension of the oil company's Mehran airport which would facilitate the establishment of headquarters and drilling operations in Ilam province, were stopped. The governor general added that visits to the border within the past three months revealed that a large number of Iraqi government drilling rigs have been erected 35 meters from the border. The Moslem people and the border guards of Mehran, Dehloran, and Musiyan have expressed their anxiety and ask why the Iranian government does not begin drilling. The governor general stated that according to already completed studies and information received from across the border, last year, after the Islamic Revolution of Iran had succeeded, the Iraqi government, supported with large investments by French, Italian, and American companies, drilled for oil along the Iranian border from Shalamcheh to Fakeh and from Fakeh to Mehran. To date, it has drilled 30 wells, some of which are extremely close to the border, within 30-35 meters. Some of the drilling teams are stationed a few meters from the border. Fortunately, through the persistent efforts of the minister of oil and other authorities of the Ministry of Oil, drilling rigs have been erected in the areas of Musiyan and Dehloran over the great oil pools which had been previously discovered after conducting geological studies.

Ebrahimi, referring to the signs of the existence of oil in parts of Abdatan, Zarrinabad, Mehran, and Dehloran, said:

"Previous exploratory operations had proven the existence of rich oil deposits in this area. In the past, however, the government did not want to drill for oil in this area." Ebrahimi added that after the recent first well was drilled, drilling operations for four more wells began. According to engineers, this first well has clearly struck a large oil deposit at a favorable depth. They also suggest that since the Iraqi government is stealing Iranian oil with diversionary wells and given that the oil slopes toward Iran and the rich layers of oil as well as the main deposit are in Iran, if several other wells are drilled in this place and begin to operate, the output of Iraqi oil wells will reduce considerably. Hence, the Iranian government considers this agreement invalid. In addition, since Iraq has drilled 30 wells along the border and we have information concerning their nature, their precise depth, and how they are being put to use, it is logical and legal to begin operations on Iranian soil at a proper distance from the border. Our people brought about a revolution in order to have an independent country, a country which is not dependent on any power, a country which



relies only upon its own Moslem population; therefore, our people do not need to ask Saddam Huseyn's permission to drill for oil in their own homeland."

The governor general of Ilam added that a series of exploratory drillings and geological data are required before the situation of the oil deposits can be adequately assessed. In addition, we need a series of technical maps indicating the boundaries of the deposits and a technical estimate of the layers of oil deposits. He said that the oil in Ilam province is desirable because it exists on several levels and in several layers. Since the deposits are large and in an untapped area--Iraq has not tapped them yet--they are desirable both from the standpoint of economic feasibility and quality. The governor general added that the expansion of oil drilling is based on precise technological studies as well as the data obtained from the recent drillings of wells No 1, 2, 3, and 4 in Dehloran and Musiyan. What is certain is that drilling for oil will continue in this area, and that oil deposits will be determined and will be gradually tapped. The first stage of refining will take place in the area to the extent that it is possible. Further refining will take place in Kermanshah, Abadan, or other refineries. In any case, the policies and plans for drilling in Iran will be determined by the Ministry of Oil.

The governor general noted that in addition to its oil, Ilam province has copper, stone, sulfur, and probably rich natural gas deposits which must be accurately studied from the viewpoint of geology and mining. Ilam province, which is already a center for agriculture and animal husbandry, can also become one of the greatest industrial centers.

'Ali Akbar Mo'infar, the minister of oil, in an interview with BAMDAD said: "The first well drilled in Ilam area has struck oil."

#### Poor State of Oil Company

Tehran BAMDAD in Persian 7 Apr 80 p 2

[Article: "Gas Seminar Opens with Bani-Sadr's Speech--The President: The Situation of the Oil Administration is Calamitous"]

[Text] In talk we progress and in reality we regress.



Some say our revolution is spiritual, as if spirituality and economics do not go hand in hand.

You cannot struggle with talk and slogans; struggle belongs to the world of reality.

People must be given free natural gas.

According to a speech by Dr Abol Hasan Bani-Sadr at the natural gas seminar which began yesterday: "Our nation must know that it cannot carry out a struggle with talk and slogans; struggle belongs to the world of reality, which is where we must attain our goal."

Members of coordinating councils and administrators of natural gas distribution companies took part in the first session of the seminar which began yesterday and continues today in order to investigate the varied problems involving natural gas throughout the country, including prices and distribution. The president, speaking on the economic problems of post-revolutionary Iran, concluded that the country's budget has become too dependent on oil revenues and that the continuation of true struggle against foreign domination has been ignored.

The president then added that at the present time the use of revenues from domestic production has decreased while dependence on oil and customs taxes has increased. Production has improved in agriculture, but in industry it has worsened; therefore, we have become more dependent on foreign countries.

If this state of affairs continues, how can we prevent the political system of the country from becoming dependent?

Dr Bani-Sadr emphasized that this is the course our country seems to have fallen into. He added that in talk we are galloping along, but in reality we are regressing. Why are we regressing? Clearly, the psychology of revolution is one of production not of consumption. But we have apparently adopted the psychology of competing to consume. All groups want to make up for all the deprivations they suffered for many centuries, especially during the last 55 years, in the shortest possible time. As a result, consumption has increased to extraordinary levels and the desire to produce has decreased to an extraordinary low. This imbalance has created a dangerous situation.

In continuing his talk, the president said: "We have been given the responsibility by the people to reveal this truth. If we do not, in less than a year the truth will reveal itself. In the oil industry over the past year, we have accomplished much: we have decreased oil production and increased our income. This is our distinguishing feat. But, what have we accomplished in production and investment in the past year? Which industrial project have we carried out? It is in this area that we have regressed. It is true that the projects of the old regime in oil and petrochemistry could not bring about independence, rather resulted in dependence; but this does not mean that we must refuse to carry out those projects, it means that we must eliminate those aspects of dependency and continue the rest."

Dr Bani-Sadr further said: "Being realistic and not fantasizing, who can explain why we had 700 billion rials in the development budget last year but were unable to spend half of it? Will someone not question what kind of struggle this is when we cannot decrease our consumption and increase our production?"

The president also said that it is an economical, cultural, and moral shortcoming when a nation cannot use its own natural gas but must bring it to the city and even subsidize it. This is the negative side. The nation must know that it cannot carry out a struggle with talk and slogans; that is impossible. Struggle belongs to the world of reality, and that is where we must achieve our goal. Regarding the problems of natural gas and the shortage of oil in certain parts of the country this past year, he said: "Which revolution in the world has had such a destiny? Our people might not understand economics--of course most of them do--but you who are sitting here must find a way to lower various expenses. You must tell the people how; radio and television must be used to show people what makes items expensive and in what manner prices can be reduced. No one can condone our burning off natural gas while it is more expensive in our homeland than it is in Europe." The president continued: "Some say that our revolution is spiritual, as if spirituality and economics do not go hand in hand. This is a western idea which the church of the Middle Ages propagated. Islam does not separate spirituality from materiality. Materiality is seen as a path to spirituality. Materiality is of no value unless it is for the purpose of attaining spirituality. So, it is a lovely thought to say that we have nothing to do with economics; but economics has everything to do with us!"

The president added: "We have everything ourselves. We come here to discuss the price of natural gas while our gas is burning away, when our people should be using it for free."

Bani-Sadr further said: "Our discussions differ from those of a society which has a well-defined economy. We are discussing in a society which has a dispersed economy which we have not tried to rebuild since the revolution. We have been victorious in re-structuring foreign payments. Today we use the dollar in only 16 percent of our purchases and we use other foreign currencies for the rest, while in the pre-revolutionary period, the dollar was used in more than 80 percent of our purchases. This accomplishment is a great victory in fighting American domination. Although it has attracted little attention, the value of this battle is incomparable to that of the hostage taking. However, the one has attracted attention because it facilitated propaganda while the other did not." The president added: "This path [of focusing on the hostages and ignoring economic issues] will lead to our downfall. We, here, are responsible for telling the people the facts, for telling them that fighting foreign domination is not necessary simply because we are Moslems who want to free ourselves of foreign domination. Rather, it is a question of life or death for us. If we fall into this trap of foreign domination, we will be destroyed."

Bani-Sadr added: "In the light of what I have mentioned, the management of our oil is in a calamitous state. I warn those who work in the oil and natural gas industries, the workers and experts, wherever they are in the world, that the destiny of the generations of today and tomorrow and of the deprived and dominated of humanity depends solely on their work and their brains. If they do not work, we will not discuss the price increases in natural gas, but we will discuss how the oil industry in Iran can be expanded and how independence can be attained [as published]. It was oil that began our dependence and has made us dependent; but we have oil, and it is oil which can make us independent. I hope that your discussions lead in a profitable direction. If this psychology does not change quickly, it will be difficult to hope for security and revolution in Iran. We must concern ourselves that our enemies will use this opportunity to our disadvantage and destroy our revolution. Therefore, with this great responsibility in mind, you must sit at these discussions, avoid condemning each other, and try to find a way to make maximum use of what we have at our disposal."

### Three-fourths Share of Budget

Tehran BANDAD in Persian 7 Apr 80 p 10

[Article: "Detailed Study of the 2200 Billion Rial Budget for 1980-81 [59] Begins in an Assembly of Governors General and a Few Ministers"]

[Text] Mahdavi-Kani: We must reach a stage where every governor general can function in his post as a prime minister would.

Engineer Sahabi: We have a dependent economy and, on the whole, an unsound budget.

Three-fourths of the country's budget comes from oil revenues.

We are still economically tied to the previous regime and we have inherited many of its projects.

Plans for the 1980-81 budget began in a gathering of all the country's governors general in Tehran.

In this session in which also various ministers, the deputy governors general, and directors of the offices of the Plan and Budget Organization [PBO] took part, Ayatollah Mahdavi-Kani, supervisor of the Ministry of State, in opening remarks described the conference's goals, calling to mind that the goal of the formation of the Islamic government is to attain Islamic justice and sharing: "In order to attain this goal, we require a methodology which will be the subject for discussion in this conference." He added that many revolutionary individuals have made mistakes after the revolution, creating discontent among the people. They have made mistakes in selecting methods.

The supervisor of the Ministry of State then asked the governors general to actively try, within the limits of their responsibilities, to conform their activities with those which will lead the society towards Islamic justice and sharing.

The supervisor of the Ministry of State added: "In this session, authorities of the PBO will present the proposed budget and solicit your specialized views."



## The Country's Districts and Decentralization

In another part of his speech, referring to the frequent requests to reclassify villages as districts, cities, and so on, Ayatollah Mahdavi-Kani suggested: "If we eliminate discrimination in public services and provide them equally to the people in every district, then we will have no problem with villages, districts, and cities."

At the end of his talk, the supervisor spoke of decentralization: "We must reach a stage wherein a governor general can act in his post as a prime minister would from the standpoint of revolutionary confidence, ideology, and administration and take upon himself the responsibility for coordinating the affairs of his area."

Ayatollah Mahdavi-Kani asked the governors general to follow the revolutionary guidelines rather than complaining about some of them, because in the current year harmony and security must be established in the country.

In another part of his speech the supervisor of the Ministry of State noted the necessity of paying attention to cultural foundations saying: "Governors general, like spiritual fathers, must at each stage clarify for the people of the region the revolutionary position."

## The 1980-81 [59] Budget

Following the speech of the supervisor of the Ministry of State, Engineer Sahabi, consulting minister [vazir-e moshaver] and director of the PBO, spoke of the formation of the 1980-81 budget and noted that his goal is to discuss the proposed budget with the governors general before it is presented to the Revolutionary Council so that the governors general will know what changes have been made and what the possibilities, difficulties, and restraints are in order to conform their promises to the people to what is available.

The director of the PBO said: "The PBO considers each project within the context of the political environment and its value to the overall economy of the society. You are certainly faced with problems and difficulties in your provinces which you feel you could successfully resolve if only you had the financial means. But we must remember that all the inadequacies of provinces cannot be provided for in the budget of one year. The PBO tries to balance social needs and future investments with that which is available in the budget."

Emphasizing the necessity of coordination and cooperation between the offices of the governors general and the PBO, he said: "Our revolution requires the merger of the experience, study, and research of the planning offices with the enthusiastic revolutionary spirit of the governors general and provincial authorities."

The director of the PBO presented the 2200 billion rial budget saying: "We are not a rich country and our income is not very significant; we have many shortcomings. The country's 2200 billion rial budget consists of 1600 billion rials from oil revenues and 600 billion rials from other sources including taxes, the incomes of government-owned companies, and probable foreign investment. Considering that the oil revenues make up three-fourths of the country's budget, our budget is a dependent one and as a result our economy is also dependent. If revenues can be secured from domestic resources, increased prices, and the efforts of the people, which is practicable over the long run, we will have an independent budget and as a result an independent economy. One other problem is that most of our budget is spent on immediate needs and only one-third on development, which means that on the whole, we have an unsound budget."

#### Transfer of Authority to the Provinces

On the question of transferring authority to the provinces, Mr Sahabi said: "We will be able to transfer authority to the provinces with this year's budget. We have incorporated plans for a special budget for each province. The reconstruction budget provides for special regional expenses and the Holy Campaign for Reconstruction, and 125 billion rials has been allotted to the provinces. This figure marks an increase of about 20 percent over that for 1979-80 [58], but our income has increased only about 10 percent."

#### Economic Dependence on the Previous System

In another part of his speech, the consulting minister and director of the PBO said: "We are concerned about implementing the plan and obtaining funds."

Last year, few provinces were able to obtain 50 percent of the funds needed. The governors general must work actively to determine where those funds may be obtained and to increase domestic production. Another problem is that although we have severed ourselves politically from the previous regime, we are still, unfortunately, economically dependent on it and we have inherited many of its projects. PARS NEWS AGENCY reports that the meeting of the governors general resumed its study of the 1980-81 budget and the problems of the provinces following the president's speech.

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## IRAN

### EXPLOSIONS REDUCE OUTPUT OF TWO REFINERIES

Tehran KEYHAN in Persian 7 Apr 80 p 4

[Article: "Following Two Large Explosions, Output of Abadan and Kermanshah Refineries Reduced 190,000 Barrels Per Day"]

[Text] Kermanshah and Ahvaz--Following the explosions of last night and the night before in the crude oil storage drums of Kermanshah's Pataq oil facilities and in natural gas and oil pipelines of Abadan Refinery, the oil output of Abadan Refinery reduced from 580,000 barrels to 395,000 barrels per day and the output of Kermanshah Refinery reduced from 19,000 barrels to 15,000 barrels per day.

Following the repair of the crude oil storage drum of Kermanshah Refinery, experts of the Ministry of Oil announced that the saboteurs had attacked the storage drum with Iraqi-made machine guns. Following the explosion in the natural gas and oil pipelines of Abadan Refinery yesterday at dawn five kilometers from Darkhoyn, the general manager of Abadan Refinery said in an interview yesterday afternoon that the oil output of this refinery had reduced from 580,000 barrels to 395,000 barrels per day. He added: "The explosion ripped open about 400 meters of the seven oil and natural gas pipelines of Marun, Mahshahr, and Abadan and set them aflame." Asked when repairs of the pipeline would begin, he said: "Since the fire is still burning at the explosion site, repairs cannot yet begin."

Baluchestani, the director of Kermanshah's oil region, also announced yesterday afternoon that the explosion of the night before last in Pataq, Kermanshah, reduced oil output to about 14,000, reducing its level from 19,000 to 15,000 barrels [as published].

He added: "To help make up this reduction, a commission of experts aided by a number of guard officials were dispatched to Pataq, Sumar, and Naftshahr."

The director of Kermanshah's oil region added: "A group from this commission completed its task this afternoon (yesterday) announcing that its operation had been successful and predicting that the output would resume its previous level by noon tomorrow (today)."

He added: "A group from this commission were sent equipped with the necessary tools to Sumar and Naftshahr in order to begin any necessary repairs."

Baluchestani added that the commission had announced its findings as follows: "In the course of last night's (the night before last) attack, the saboteurs used (Klashnikofs), RPG-7's, and Iraqi-made machine guns. On one side, 20 (Klashnikof) bullets and Iraqi-made machine gun shells were found in addition to two RPG-7 shells, one in front of the storage and one inside."

The director of Kermanshah's oil industry said:

"RPG-7 bullets have made a hole 54 cm by 35 cm on the side of the storage drum."

Also in the armed attack on the Pataq oil facilities, the explosion caused by an RPG-7 bullet set the 40,000-barrel storage drum on fire.

This report was confirmed by the deputy commander of Kermanshah's gendarmerie and the director of Kermanshah oil region. The report states that oil company security guards confronted the saboteurs and a number of measures were taken to extinguish the fire and prevent its spread.

Concerning this attack, the head of the guards [sepah-e pasdaran] in Qasr-e Shirin said:

"Because of this attack, one of the natural gas pipelines of this refinery exploded and burst into flames when it was hit by an RPG-7 bullet. However, firemen prevented the spread of the fire by closing the natural gas tap."

Concerning security, he stated that the refinery has special guards who are responsible for its protection.

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## IRAN

### GOVERNOR OF ESFAHAN CALLS FOR CIVIL NORMALIZATION

Tehran BAMDAD in Persian 8 Apr 80 p 4

[Article: "Governor General of Esfahan: The Government Must Prevent Polarization"]

[Text] Because of the psychological atmosphere special to post-revolution, law enforcement forces are constantly concerned that they may be called to account for their actions in the future.

Revolutionary courts have not acted responsibly because of insufficient regulations and the Ministry of Justice has been hampered in carrying out its duties because of these courts.

Esfahan (PARS NEWS AGENCY)--Mohammad Kazem Musavi-Bojnordi, governor general of Esfahan, spoke on financial affairs and on the polarization of powers due to the psychological state of law enforcement forces which at the present time prevents their being good government enforcers. He also mentioned the forcing of opinions, whether intentional or unconscious, by locally influential personalities in the areas of economic and social problems in addition to the discord in the executive and revolutionary organizations. And all of this today when the country is in dire need of effective organization in order to achieve the goals of the revolution.

Concerning the decision to transfer authority to governors general, the governor general of Esfahan said that all aspects of this decision must also take into account regulations for dealing with those who violate the orders of governors general. Also, in setting these regulations, the government must prevent polarized powers which try in every state to influence the governors general and other authorities in their

own interests, thereby weakening the governors general who serve as implementers of government policies, the ideal of the revolution, and the imam of the people.

The governor general of Esfahan said that insufficient programs, disorganization, and polarization are the result of the uniqueness of the Iranian revolution. He added that the polarized powers at times express views which prevent the governors general from carrying out the united revolutionary policies of the people throughout the provinces because of their own particular policies and different perceptions, and because they sit outside the ring, are not involved in executive affairs, and are unfamiliar with the problems at hand. This kind of interference in economic and social affairs often results in disturbances, decreased production, and increased unemployment.

The governor general expressed his concern over the work of law enforcement forces saying that because of the special post-revolutionary psychological atmosphere these forces cannot effectively support the government because they are constantly concerned that they may be called to account for their actions in the future, or that if the revolution is defeated the following group which comes to power may take them to court. Naturally, in such a mental state they cannot work effectively for the government. But in Esfahan, steps are being taken which--God willing--should bring about significant changes.

Esfahan's governor general said that insufficient regulations over the revolutionary courts, the justice department, and related departments hampers the revolutionary court in acting responsibly. And the justice department has fundamentally little to do or is unable to function properly because of the existence of the revolutionary courts.

Speaking of the poverty, unemployment, and ramshackle buildings in the poor sections of Esfahan inherited from the previous demonical regime, the governor general of Esfahan said: "The governor general's office has taken a series of valuable measures for the reconstruction of these areas. More than 170 cooperating councils, with the participation of the people of every part of the city, have made efforts in various urban improvements. In the area of creating educational facilities alone, 280 units were built in Esfahan in the last year. That which the councils have accomplished this past year is equivalent to what was accomplished in the previous 10 years."

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## IRAN

### NEW FOREIGN TRAVEL RESTRICTIONS PROPOSED

Tehran KEYHAN in Persian 8 Apr 80 p 11

[Article: "According to the Proposed Plan of the Ministry of National Guidance Presented to the Revolutionary Council: Iranians Can Travel Abroad Only Once Every Two Years"]

[Text] The maximum stay not to exceed three months

Patients, students, some businessmen, and diplomats exempt

Activities of travel agencies to be limited

"If the proposal of the Ministry of National Guidance is approved by the Revolutionary Council, Iranian travel abroad will be restricted to once every two years."

Dr Naser Minachi, minister of national guidance, announced the above statement in a special interview with KEYHAN adding: "This proposal which was given to the Revolutionary Council yesterday intends to curb the indiscriminate flow of our currency outside the country, to strengthen real Islamic values, and to eliminate the symptoms and influences of the deviant foreign culture which has dominated our society for many years. With the approval of this proposal, tourism will also become harmonious with the revolutionary movement of the Islamic Republic of Iran."



## Outline of the Proposed Plan

On the basis of the Ministry of National Guidance's proposal restricting travel abroad, every Iranian who is not prohibited from exiting the country may travel abroad, for vacation or pilgrimage, once every two years for a maximum of three months. The following will be exempt:

1. patients for whom the need for treatment abroad has been confirmed by the proper authorities,
2. students who are actually studying abroad and have obtained exit permits from the Ministry of Sciences,
3. businessmen whose need to travel is confirmed by the Ministry of Commerce,
4. diplomatic officials and government employees who travel abroad on diplomatic or service passports,
5. pilgrims to Mecca and other holy places following the specific regulations for such pilgrims.

## Activities of Travel Agencies

Upon the approval of this proposal, agencies who arrange group tours will organize their travel programs under the supervision of the Ministry of National Guidance and will follow guidelines for licensing travel and tour agencies.

One note of the proposal suggests that the competence of the supervisors and directors of tours and tour programs be confirmed by the Ministry of National Guidance beforehand, and if the Ministry finds it necessary, it will appoint its own supervisor and director.

Six months from the approval date of the proposal, the Ministry of National Guidance will be allowed to prohibit group travel to countries which have not exchanged travel agreements with the government of the Islamic Republic of Iran.

At the present time, the Iranian government has exchanged such agreements with only 15 countries and will exchange new agreements with other countries who are willing to exchange visitors with Iran.

In addition, group travel which involves athletic, artistic, journalistic, scientific, or technical programs will be supervised by the proper organizations.

#### Exit of Families of Students

According to the minister of national guidance, in the guidelines to be written if the proposal is approved, special facilitation will be provided for Iranian students abroad who wish to visit with their families. Thus, the uncontrolled flow of currency abroad caused by the families of Iranian students abroad will be curbed, and at the same time, the students will be able to see first hand the changes in their country.

He stated that in the case of student illness, or under special circumstances, their families would be allowed to travel abroad more than once every two years, if such travel is urgently necessary.

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# LATEST STAGE OF ECONOMIC IMPASSE, REFORMS DESCRIBED

Paris L'EXPANSION in French 4 Apr 80, pp 53-58

[Article by Alain Murcier: "Iran, The Big Leap Aside"]

[Text] The revolution has blocked development. Luckily petroleum pays.

"Alone, at last!" Fourteen months after the overthrow of Shah Pahlavi, a countryman apparently more hated than an occupying foreign power, the Iranians have not exhausted their joy at being once again by themselves, freed as were all the French in 1944, the workers in 1936, and the students in 1968. They are enjoying this vacation, the more so since it is free for them, even though the cost is being paid by the country. In this month of Nowruz, which marks the beginning of the Iranian year 1359, rampant inflation has not completely devoured the rials put aside at the end of the former regime and during the first months of the revolution. The unemployed, a proliferating species, make out by washing cars and cleaning gutters. At the Tehran Bazaar, where products made in Iran have replaced foreign goods in showcases, it is "business as usual." Stocks being still plentiful, the two-third drop in imports in one year has not created the expected shortages. The resulting decrease in outgoing currency allows the central bank to hoard 1 billion dollars per month. In the war opposing Iran to the American mastodon, these currency reserves are far more useful than the stockpiling of rotting weapons which led to the belief that the country owned the most powerful army in the area.

Clearly, Iran did not collapse. Public services operate. Water, gas and electricity are no less available than during the shah's era. Tehran, graffiti decorating the walls to a height of up to 2 meters notwithstanding, is even cleaner than before. Traffic is barely more hectic than in the past. The policemen who augmented their earnings by issuing traffic tickets have almost disappeared. The Revolutionary Guards (Pasdaran), part boy scouts, part Red Guards, sometimes take their place and it is better to contact them in cases of robbery or car thefts. At least in the capital, disproportionate, crude, disorderly and stinking of gasoline at 60 centimes a liter, as left by the shah, Iran is holding its own. Yet, it is not progressing by a single

lota. Construction, Iran's No 1 industry, is as good as dead in Tehran with its hundreds of idle yellow cranes along grey cement shells.

The view is the same in the provinces, from the giant HLM [Low Cost Housing] programs in urban suburbs to the small buildings made of bricks framed by steel girders. Along the length of the Tehran-Karaj boulevard stand countless skeleton factories which were to be new landmarks on the path of the "Great Society" down which Iranians refused to follow their former despot.

Why is construction faring badly? Sometimes--as is the case of large building sites--it is because their promoters and clients, mostly pals and crooks of the shah's court, emigrated dropping everything. Hence legal imbroglios leading to the suspension of payments of bills to contractors. The latter, big foreign public works companies, were more or less forced to cancel contracts sometimes obtained amicably. In a few cases, attempts were made to have local companies complete the programs. Poorly equipped to complete large-scale projects which, incidentally, Iranian housing officials always loathed, such contractors generally gave up.

#### What Will The Regulations Be?

Nationalization of the land is the direct reason for this breakdown, except for cases of emigration (internal and external). Lebatschi, one of the big Bazaris [merchants] who own many apartments in Tehran, explains the builders' state of mind: "Now that land has lost its value, is it profitable to build? Is it to be for leasing or selling? What will the regulations be? In the present situation, the people are understandably waiting to see what is going to happen. While it is encouraging the wait-and-see attitude of the builders, the elimination of real estate speculation, combined with the emigration of the former ruling class which is said to have abandoned 40,000 vacant apartments in Tehran, immediately improved living conditions for middle class city dwellers. Even though leaning toward modernism, their rents during the shah's last years had reached extravagant enough levels to force them to topple into the revolutionary camp of the black turbans. Today, with rents reduced by an average of 30 to 40 percent, they find it easier to withstand the rapid cost-of-living increase.

More affordable rents do not release Iranian officials from the obligation to restart the building industry. Besides the fact that it is the driving force of the Iranian economy, on the social level, it is, above all, the machinery for providing jobs to country youth. Between 1975 and 1977--the latest available figures--650,000 additional migrants were thus able to find work in construction. For the past year, the increased exodus of villagers who thought the revolution would provide them with a roof and a job in town has dramatized the problem. Over 500,000 people have flocked to Tehran itself since the tyrant's departure. These crowds are encamped in the southernmost part of the capital, in shanty towns sometimes reminiscent of those in Calcutta.

So far, the Revolutionary Council has been powerless to reactivate the construction sites. Money is as abundant as manpower, skilled labor being the major exception. Billions of rials were unfrozen last year, but there are no banks capable of allocating them, for there is no one at the other end to spend them. The driving force of the Pahlavi economy was profit, all profit and nothing but profit, shared with foreign companies which hired out their management and ensured implementation. Today, there is no alternate solution to the faltering private Iranian investor and the rejected foreign enterprise. Economic offices, agencies and establishments uninclined to launch projects and eventually dissuaded to do so by a ruler too much in a hurry to rely on his subjects, cannot be energized overnight. They will need time to commit themselves to the battle.

While the cranes stand idle against the Iranian sky, the rusty red and yellow smoke of plant smokestacks is visible. Western observers pay little attention to the mass of workshops and traditional PME's [Small and Medium-Size Businesses] which employ three-quarters of the working force in the textile, leather, carpet and building materials industries. They are only interested in the other industries, the 8,000 "modern" plants handling raw materials and using imported technologies and management. The latter accounted for 70 percent of the industrial output with 25 percent of the labor force and they are currently cited as providing 30 to 60 percent of the growth rate. But just try and prove it!

#### Clear Shortage of Raw Materials

The 150-kilometer long road from Tehran to Qazvin is flanked by American-style agro-food plants and heavily travelled by all kinds of heavy-duty trucks passing each other at 90 km/h. Qazvin is a town of 170,000 people, at the center of an area inhabited by 600,000 people. Sixty-percent of them are farmers who rolled up their sleeves and doubled the size of their fields by helping themselves to the land of big owners who owned, I am told, half of the area. Qazvin is also a workers' town, undoubtedly spirited enough with its feddayins, mujahiddins and other armed groups, for the Imam of Qom to have dispatched a strong-handed mullah, native of the city, Saied Ali Akhbar Abu Turabi. Some 30 years old, eyes and beard as black as his turban worn on the back of his head, Abu Turabi, president elect of the municipal council, expresses himself slowly but clearly and rather freely. For example, he does not hide the fact that one of his first acts was to suspend the town's revolutionary tribunal which was incapable of differentiating between the good and the bad, but which already had to its credit (or discredit) 14 executions. In its prison, the town has "some 20 detainees of whom 2 or 3 are savakis while the others are counter-revolutionaries."

Let us now look at industry. Abu Turabi has in his town "150 to 160 factories, some traditional, some modern. Between 18 and 20 are closed for two reasons. One is the owners' refusal to stay open, squeezed as they are between too heavy indebtedness to their banks and wage demands deemed impossible to satisfy. The second is the lack of imported raw materials." This mullah divides the present business management into three categories: first,



those whose bosses fled, sometimes after bleeding them dry. The nationalization files of these impounded enterprises are under investigation. Management is ensured by a representative of the Ministry of Industry and Mines (10 percent of the total). These are followed by less damaging cases (45 percent of the total) of owners who went into hiding but left personal representatives. These businesses are operating under the above-mentioned ministry pending a decision on their fate. The last group (also 45 percent) is that of factories whose owners retained control. However, although they easily get government loans, they work nonetheless under the watchful eye of an official from the ministry of industry and, naturally, as everywhere and always, of the picture of Imama Khomeini with the flowered beard.

Almost half of the plants, explains the man of the cloth, have a workers' council. Does it make the law? Is a social revolution underway in Iran? How is one to know! The first big plant in Qazvin where we stopped at random after leaving Saied Abu Turabi at grips with a crowd of unemployed with dangling arms, was not receiving visitors. After some questioning, the guard told us that the board of directors could not break an intensive discussion with the workers' council.

Another attempt was made a little further at the Mahnaz Spinning Mill whose buildings, some 10 years old, are spread over a huge field. Visits are not allowed there either, but three young men from the workers' council came to join us at the caretaker's lodge alive with people. "Here, we are 1,600 workers and now we are all Iranians. Before there were 300 better paid Koreans. This was done to compensate for the lack of workers in the area and also to divide the workers. The Koreans left with the boss who also took the files; this is why we have no figures. Some engineers also left, but we have replaced them. They use to earn 12,000 francs, now they make do with 4,500 francs. The lowest wages tripled. They went from 15 to approximately 45 francs a day, in addition to profit sharing. Wages of higher category workers doubled and foremen's wages were increased by 10 to 20 percent. The output? Between 10,000 to 11,000 tons annually. We still have inventory for a few months. Foreign suppliers want to be paid on delivery and demand security deposits. However, we hope things will get better. The business was poorly administered. We could easily reduce the work force by nationalizing, but now is not the time; costs are not the impending problem. Our current goal is to work at maximum capacity and improve quality. The increase in production depends on the National Plan."

On the other hand, increased production is on the agenda of Iran National, the Renault of the Pahlavi Empire, which I had visited when the boss was Hayemi, a former Meched mechanic, who was proud of applying virtually single-handed, the system of profit sharing which His Imperial Majesty, in his kindness, had set up for the workers. Hayemi has now left with part of his administrative staff totaling some 40 people and the remainder have been laid off. Fourteen foreign experts also vanished. Four government representatives, making up the new board of directors which, in this case, is apparently laying down the law, are trying to upgrade this business which employs 11,000 wage earners. Cheikholeslami, one of the

four, courteous although very pressed, stated that the company was hoping to raise this year's production of Peykan passenger cars to 100,000; over the past few years, it had dropped from 90,000 to 60,000. (According to British sources, the last figure would be 30,000.)

#### "Fewer Rifles Are Seen in the Factories"

The strategy of the new leadership is dual: Iranize production and make it profitable. Actually, the Peykan is nothing more than a Chrysler made in Britain, i.e., a Talbot, now assembled at the Karaj plant with a share of locally made parts, definitely much lower than the two-thirds claimed by Cheikhholeslami. While waiting for the Iranian industry to grow, the officials of Iran National, burnt by Great Britain's strikes, are trying to find new supply sources for spare parts. At the same time, they are aiming at the production of a single passenger car model, simpler and easier to manufacture. "That is the path we have chosen to increase local share and go on to mass production scaled for Iran. That is what Volkswagen has been doing for a long time in Europe."

Big car assembly was abandoned with the shutdown of the American plants in Iran. As for Iranians in search of small models, they will have to settle for the RS. In any case, Renault-Citroen, under Iranian control since July, is seriously faltering. It is evident that its new head, Comrade Refayat, an inarticulate ox of a man in a leather jacket, understands nothing about this industry. Production dropped from 35,000 units in 1978 to 12,000 over the past 11 months. But, I was told by a disenchanted witness, it is making a slight recovery. "We are seeing fewer rifle-bearing people in the factories, but at this very moment, a film on the war in Algeria is being shown." The fact remains that the cut in the importation of American-made cars and the curbing of those made elsewhere recently created a shortage of vehicles of all types which are selling at a black market rate of 35 to 40 percent above the official price. The government is trying to reduce the shortage by raising import quotas.

Influx of farmers to the cities, substantial drop in rents, paralysis of the building industry, uncertain struggle for power in faltering industries, embryonic shortages of imported goods and a wait-and-see attitude on the part of economic and state officials: such are the outstanding aspects of the current situation of a country which is united--negatively--in the definitive hatred of Mohamed Reza Pahlavi and in the undoubtedly more fleeting hatred of the United States and--positively--in the yearning for an Iranian Iran.

But, after the great side leap away from the path leading to an American Iran, how can Iran be Iranized? What is the Islamic way? When people say "The banks and ministries must be like mosques (Khomeini's quote on the wall of a bank), the subject has not been completely exhausted. The same is true when officials, like President Bani Sadr, assert that 80 percent of the "modern" enterprises were "destructive to the country," large towns, beginning with Tehran, must be rid of their blight and farmers must be sent back to the country that they may feed, and more than feed, the country as "before," a before that was not, after all, the good old times.

## The Bazaris' Important Role

How are things shaping up locally? Firstly, everything hangs on the type of political-economic regime to be chosen by the country. Bani Sadr and his team, made up of 30 to 40 year old--many of them acting like prima donnas--lived in exile in France for a long time and could be labelled liberal bourgeois and "Muslim-democrats." Will they be able to remain at the helm when they have little chance of controlling inflation and unemployment? Their toying with the idea of curbing prices via control of foreign trade directly affects the interests of the Bazaris affected, as real estate brokers, by the nationalization of the land. Yet, recovery of the building industry and success in the fight against unemployment largely depends on them. If the Bazar leaves to Bani Sadr the opportunity of strengthening his power, the latter's action will be focused--in the context of an Iranian Iran--on several issues.

**Agriculture** - Of utmost importance and fashionable throughout the world, it was almost dismantled by the former regime in favor of industry. The new agrarian reform will have no more chance of succeeding than the one imposed to the shah, in the early 50's, by the United States, if the phenomenon of peasants'--and agricultural cadres'-- flight from agriculture is not reversed. Yet, the creation of an essential technical, financial and administrative environment for agriculture demands an enormous political and human investment, as numerous examples have shown. Despite the great shortage of water in Iran, the country's self-sufficiency in food could be achieved within a few years.

**Public Facilities** - Although Iranian leaders have cancelled nuclear power plant programs, in no way are they thinking of stopping the development of public infrastructures. Bids for a 2,000 megawatt power plant near Tehran have already been requested for a massive increase in the production of electricity which will be in even greater demand if rural electrification and irrigation plans are to be implemented. The idea is to cover the country more thoroughly with all sorts of collectively-owned equipment whereas, so far, such equipment was ordered to meet the needs of large industrial complexes.

**Industry** - At the headquarters of the Iranian Petroleum National Company, NIOC, I saw an exhibit of 6,000 to 7,000 parts out of the 170,000 used by the Iranian petroleum industry. Iranian visitors, artisans and industrialists had to tell which of these occasionally commonplace parts they could produce; until now, they had to be totally imported as demanded by the international oil companies, when, according to petroleum engineers present, 80 percent of the parts could be produced in the country. I was told that 500 candidates had each already proposed to produce 10 to 50 parts. Other exhibits involving other industries are traveling throughout the country.

No longer alienated, the Iranian industry has broad opportunities. But improvement of product quality, currently poor, depends on available,

adequate cadres, engineers coming first: in the past, they were little used because too expensive; then foremen who go through vocational training which is currently faltering. Finally, it will not be possible to ignore much longer the productivity issue. Manucher Farhang, president of the Iranian Economists Association, states that the Isfahan iron works is producing 600,000 tons of steel with 30,000 employees where 3,000 would suffice.

**Foreign Cooperation** - Rashid Zadeh, vice-governor of the Bank of Iran, stated that "For foreign firms, Iran is no longer the Eldorado it was before. French industrialists who have a 12-billion-franc claim against the country undoubtedly know this. Zadeh further stated that "There is no more question of becoming industrialized on the basis of distributed bribes but of the implementation of a plan. To do this, we no longer need foreign investments. Money is not lacking here. We shall continue to need turnkey factories. But they will have to be delivered with the "black box" and we must be told what is inside. Since our relations with the Americans will lessen, there will be room in Iran for the Europeans who will understand what we want."

**Money** - "It is not lacking." Currency reserves amount to \$15 billion (5 of which frozen by American banks, a serious problem). Oil revenues for 1980 will be identical to those of the last 2 years, or \$21-22 billion providing that, except for new price increases, production does not continue to drop below the announced level of 150 million tons per year. Floods, sabotages (until now minor but numerous in Khuzistan inhabited by Bakhtiari who, in principle, support the revolution), and lack of spare parts affect the national industry deprived of 1,200 foreign technicians; it is understandable that it will have development difficulties despite a drop by one half of the output since the shah's ouster.

The Iranian revolution has the unusual characteristic of being a moneyed revolution. It is an enormous and fragile asset since the fragile oil industry is its only source. It is a dangerous asset to the extent to which money can encourage the leaders' laxness or conceal, for a time, the troublesome effects of poor economic choices. Money makes everything possible--but resolves nothing. The current leaders of the Iranian revolution are very much aware of it, unlike their predecessor.

#### Foreign Trade Is Dropping

Iranian Foreign Trade (in billion francs; the percentage of variation of Iranian imports is computed in the currency of the considered country)

Supplying Countries	1977	1978	1979	1979/1978
United States	11.7	15.8	4.2	- 72.3%
West Germany (9 months)	13.3	15.5	3.9	- 66 %
Japan	8.2	11.5	3.8	- 65.7%
Great Britain	5.6	6.7	2	- 69 %
France	3.3	3.9	1.8	- 55 %
USSR	2.7	2.8	0.6	- 72.5%

Trade Collapsing (Continued)

Purchasing Countries	1977	1978	1979	1979/1978
United States	12	12.3	11.5	- 3.3%
West Germany (9 months)	9	9.6	6.7	- 11.2%
Japan	18.2	18.2	17.7	+ 0.6%
Great Britain	6.7	4.8	2.1	- 54.5%
France	5.2	5.4	4.3	- 19 %
USSR	1.8	1.5	0.6	- 52 %

Source: French commercial advisor to Iran

[Caption] The drop of western supplies to Iran was sharper than the drop in Iranian oil deliveries to the West. France suffers rather less than its competitors. Recovery of exportations at the earliest in 1981.

6857

CSO: 4900



TRADE COOPERATION MINUTES SIGNED WITH GREECE

JN160730 Baghdad Domestic Service in Arabic 2100 GMT 15 Apr 80 JN

[Text] Iraq and Greece signed joint minutes for economic, trade and technical cooperation today at the conclusion of the meetings of the Iraqi-Greek joint committee. Hasan 'Ali, RCC member and trade minister, signed the minutes for Iraq, while Greek Commerce Minister Yeoryios Panayiatopoulos signed the minutes for Greece.

The minutes underline the need to develop trade, economic and technical cooperation between Iraq and Greece and the establishment of a Greek company to implement development projects in Iraq, particularly in the fields of roads, construction, irrigation, agriculture and the diversification and expansion of trade.

In a speech on the occasion, the RCC member expressed his happiness over the signing of the minutes, which express the two countries' wish to develop economic cooperation. He affirmed that Iraq will seek to implement the clauses of the minutes so as to consolidate relations between the two countries in the service of the interests of the Iraqi and Greek peoples.

In a similar speech, the Greek commerce minister said: Greece will carefully follow up the full implementation of the clauses of the minutes in an enthusiastic manner commensurate with our friendly relations. He expressed his appreciation for the warm hospitality accorded him and the delegation accompanying him during his visit to Iraq, affirming that this stems from the spirit of understanding that prevailed during the talks.

CSO: 4802

## BRIEFS

MUJAHIDIN MOVEMENT DENIA - Damascus--Yesterday official Syrian sources denied reports on the existence of any movement called the Iraqi Mujahidin movement. This clarification followed some statement issued in Damascus yesterday on this movement, which claimed responsibility for some incidents that recently took place in Iraq. [Text] [JN141738 Jerusalem AL-FAJR in Arabic 8 Apr 80 p 1 JN]

DFLP CLAIMS REPRESSION BY REGIME--A pro-Soviet Palestinian commando organization Friday accused Iraq of aiding the Americans and said its office in Baghdad had been closed as part of an anti-communist clampdown. The Democratic Front for the Liberation of Palestine (DFLP) issued a bitter denunciation of the government of Iraqi President Saddam Hussein at a Beirut press conference called following Thursday's expulsion of the staff at its Baghdad bureau. Fadh Suleiman, head of the DFLP's foreign relations section and a member of the Marxist guerilla group's Central Committee, said there was no doubt that the Iraqi measures were aimed at the suppression of communists and other leftist organizations by President Saddam Hussein. "We have taken a strong line against Iraqi repression of all democratic forces, including the communists," he told reporters. "The closure of our office in Baghdad is without doubt linked to the continued suppression of communists in Iraq." [Text] [Beirut THE ARAB WORLD WEEKLY in English 5 Apr 80 p 2]

CSO: 4820

## ISRAEL

### SUPPORT EXPRESSED FOR U.S. REGARDING IRAN

Tel Aviv HATZOFEH in Hebrew 14 Feb 80 p 2

[Editorial: "The Controversy in Tehran"]

[Text] From reports that reach us from Tehran, it appears that the affair of the hostages in the American embassy is about to come to an end. The students who took the hostages are an extremist group who are maintaining in Iran what is called "a government within a government." As long as there was no permanent government this could be tolerated, but now that a new president has been elected in Tehran, with power to govern, he does not intend to tolerate such a situation.

The position of the U.S. is quite complicated. It wishes to free the hostages, but for this purpose sanctions against Iran do not help. Therefore, it postpones sanctions from week to week. There is a need for a psychological compromise formula that will help the Iranian government to be free of the extremists who speak in the name of revolution. But the U.S., as an independent power, cannot submit to being shamed by agreeing to accusations of personal guilt against the Shah.

Khomeyni holds the key, but he is silent. He does not declare his position, in order not to lose the sympathy of the Iranian leftists who helped him achieve power.

Iran now finds itself on the front line facing the USSR, and the real imminent danger to it is the USSR, not the U.S. Yet it is conducting a struggle against the U.S., not against the real enemy. The fear is that the leftist extremists are under the control of the USSR, and all the attacks against foreign embassies are directed by Moscow. However, because of a controversy among the revolutionary "decision makers," the government has not yet been able to get control of the situation. This is a political entanglement that requires sophisticated measures, essentially psychological, to get out of.

It was a shameful sight to see Yaser 'Arafat, at the revolutionary parade in Tehran, standing on the review platform next to the new authorities, reviewing the parade. Apparently all the political lunatics got together in Tehran in order to seize power.

But the problem is whether the U.S. will learn a lesson from this situation, a lesson that pertains also to our region, which is loaded with fanatics looking for publicity.

9045

CSO: 4805

## ISRAEL

### U.S. OPPOSITION TO SETTLING JEWS IN HEBRON CRITICIZED

Tel Aviv HATZOFEN in Hebrew 14 Feb 80 p 2

[Editorial: "What does the U.S. Want?"]

[Text] Reports from Washington say that the U.S. government is liable to consider "punishing" Israel, because of the government's decision to settle Jews in old Hebron. Such a proposal was brought up last year by several members of Congress, but the administration turned it down, even though Secretary of State Vance said that if the colonization policy were to be continued, this policy would not be excluded from general consideration.

In the Camp David agreements Israel did not obligate itself to refrain from colonization in Judea and Samaria. Such an article was suggested for the agreement, but it was removed due to Israel's opposition. Therefore, there cannot be any complaint against Israel on this matter, for such an obligation was not given, and indeed was rejected.

Jews lived in Hebron 50 years ago and 200 years ago, and the U.S. never interfered, just as it never interfered with Arabs living in Jaffa, Ramleh, or Lod. Expressions by the U.S. administration spokesman that the decision on Jewish settlement in Hebron is a backward step in progress toward peace, are an interference in the internal affairs of Israel, for certainly the state of Israel is not one of the states of the U.S. It is an independent state, that cannot be told constantly what it must do, and certainly cannot be threatened with punishment because of the decisions that it makes. All in all, the government of Israel has decided that Jews are entitled to live in Hebron just as anywhere else in the land of Israel. Does the U.S. wish to shut the Jews of Israel into a new ghetto, and tell them that there are places where they are forbidden to live?

The problems created for the U.S. by the Soviet invasion of Afghanistan, and the need to get close to the Moslem world and to unite it against the USSR dictate these steps to the U.S. Therefore, we must distinguish between the problem of the Middle East conflict and the danger of a Soviet invasion. These two problems are separate, and we should not yield to Arabs who want to connect them in order to create a means of pressuring Israel in the Palestinian matter.

Jews have the right to live in any location and any settlement in the land of Israel, in old Jerusalem and in old Hebron. We are not obligated to seek permission from the U.S. government to do so. Jews lived in Hebron for hundreds of years, and Jews will live there in the future, just as they live there now.

Due to the 1929 riots, the continuity of Jewish settlement in Hebron was interrupted. Now we seek to retie the thread that was broken by brutality and murder. Just what does the U.S. want from us in this matter?

9045

CSO: 4809



GALILI'S RETURN TO POLITICAL ACTIVITY ASSESSED

Tel Aviv MA'ARIV in Hebrew 26 Mar 80 p 3

[Editorial: "Galili is Back on the Scene"]

[Text] Ex-Minister Yisra'el Galili's return to activity at the center of the Labor Party--what does it mean?

His name used to be attached to what was commonly known as a "Galili document," and there were those who hung that label around the neck of the Labor party, and considered it one of the causes of the "political freeze" (or: the lack of progress toward peace) when the Alignment was in power. Does the renewal of his political activity, which will be expressed essentially by active participation in drafting the platform for the coming elections, presage a return to the "Galili document?"

Or is this just an expression of peace-making after Yigal Allon's death between MK Shim'on Peres, party chairman, and what used to be the Ahdut Avoda faction?

Perhaps--who knows--Galili's return to the Labor Party center in practical activity is evidence that he is included in the Labor Party's "management team" for the elections, and will be in an Alignment government if that should come to pass.

In any case, Galili's reentry upon the scene arouses interest, beyond just curiosity. Especially since it is liable, or likely, to renew and sharpen the arguments between "doves" and "hawks" in the Alignment, at a time when it appears to the former that the balance is finally tilting in their favor.

W045

CSO: 4803

## SADAT'S POSITION ON AUTONOMY TALKS REVIEWED

Tel Aviv MA'ARIV in Hebrew 26 Mar 80 p 3

[Article by Yosef Harif: "Begin's Answer to Sadat"]

[Text] At this week's Knesset session, Prime Minister Menahem Begin read aloud to the Members a letter to him from President Sadat. In the letter Sadat declares that the freeze in the autonomy talks, and the danger that the political initiative will slip from the hands of Egypt, Israel, and the U.S. and pass to "other forces in the UN" are the fault of Israel.

Begin read Sadat's letter in its original version--in English--without the Knesset Members entering into its details or giving their own opinions. When the Prime Minister finished reading the official document, he called the attention of the Knesset to a few lines in Hebrew in the margin. These were the notes of Ambassador Ben-Elissar on statements by Egyptian Vice-President Husayni Mubaraq: When delivering Sadat's letter for transmittal to Israel, he saw fit to note (Ben-Elissar points out) that the President was seeking to avoid misunderstandings. He said (so Mubaraq reveals) that he had begun the peacemaking process with Begin and he wanted to finish it with him!

This note is rather strange. First, if this is Sadat's true opinion, why did he avoid including it in the personal letter to "his friend Menahem," and depend on the services of Vice President Mubaraq. Second, why did the President see fit to cancel secret diplomacy, and turn the very delivery of the personal letter into a public ceremony, to which all the news media and TV cameras were invited, and at which the Israeli ambassador was placed in a embarrassing situation, not knowing what was happening. Since when is correspondence between the heads of governments the subject for such a strange dramatic event?

Therefore, let us not attribute special significance to the note that he started negotiations with Begin and wants to finish them with him.

According to the stance that Sadat has taken--not to speak of the background music that accompanies the process, in the form of a renewed attack on the Prime Minister by the Egyptian news media, that burst forth in "joy" under a hidden baton--one could get the opposite impression, namely, that Sadat

indeed does not believe that at the crossroads that the autonomy talks have reached, it is still possible to bring matters to a conclusion with Begin. And from the standpoint of content--the prospects for this are even poorer. Sadat suddenly brings up a demand for the establishment of a "Council for Security Matters" at the ministerial level, to be established jointly by Egypt, Israel, and the U.S. As he writes in his letter to Begin, all matters involving security would be discussed and decided by "agreement," including deployment of IDF forces that according to the Camp David agreement must withdraw to specified positions.

The Israeli position--to which Begin, Dayan, and Weitzman returned innumerable times during the Camp David talks--is that the new deployment of the IDF after it withdraws from its present location will be dictated by Israeli security needs, as determined by the IDF general staff and the security element. Israel does not agree that this matter shall depend on Egyptian or American agreement.

The argument at the Linowitz talks this week, which tended toward the Egyptian side, broke out at this point. Yesterday the ministerial council on autonomy matters met, together with the Prime Minister, to consider the proposal of Minister Yosef Burg for the establishment of a council for security matters, provided that it would deal only with matters to be submitted by the "strong" [sic] local police that would have to exist under autonomy according to the Camp David agreement. One of the other ministers charged, against Dr Burg, that it was better to reject this proposal because it was booby-trapped. At this stage it was agreed, after the Prime Minister also opposed the idea, that the time to discuss a ministerial council for security matters of any sort had not yet come.

What is hiding behind this argument, and why is Sadat bringing up the subject of a "security council?"

Sadat is seeking to exploit cracks in the Camp David agreements, where it states: "The parties will negotiate on an agreement that will define the authority and responsibility of the self-administrative authority that will be activated in Judea, Samaria, and the Gaza region. There shall be a withdrawal of Israeli armed forces, and there shall be a redeployment of the Israeli forces that will remain in security districts to be specified. The agreement shall also include arrangements for insuring internal security, defense, and public order, etc." Sadat charges, therefore, that the agreement requires that the deployment of Israeli forces is also subject to agreement, for nowhere in the document is it said that this is a matter of exclusive Israeli concern. In this way Sadat seeks to deprive Israel of exclusive authority in security matters. If he succeeds, even in part, in this matter and in the other matter that is now the focus of discussion (and in this too the Americans are siding with the Egyptians), namely the legislative council, then he has laid a solid foundation for a Palestinian state.

This is what the argument is about; hence, also, the Egyptian and American opposition to Israeli settlements. Both the Egyptians and Americans want

to decide right now all those matters which according to Camp David will not have to be decided for another 5 years (from the day autonomy is put into effect). For a subject such as the legislative council is one that pertains to the permanent status of Judea, Samaria, and Gaza. Let legislative authority be included in autonomy now, and you have given it the keys to sovereignty.

Linowitz has departed, but the problems that he and Begin dealt with for three solid days remain. The principal problem that will naturally be the focus of the prime minister's talks next month at the White House is this: Carter continues to declare that he is opposed to a Palestinian state; the Prime Minister will ask, what is the practical significance of this decision?

This is a most practical question. The Linowitz talks, which served as an introduction to the Carter talks, do not bode well. Whatever he asked the Prime Minister to relinquish, just "happens" to fit Sadat's demands in the letter to Begin. And if these demands are fulfilled, they will be an authentic sketch of a coming Palestinian state; in fact, a Palestinian state now.

9045

CSO: 4805

RESULTS OF NEW YORK PRIMARY REVIEWED

Tel Aviv MA'ARIV in Hebrew 26 Mar 80 p 5

[Editorial: "Carter's Defeat"]

[Text] New York did it.

After a steady march of victories in the presidential primary elections, President Carter was defeated yesterday in the states of New York and Connecticut. His defeat was especially notable in New York, where Teddy Kennedy beat him by a margin of 14 percent.

The last polls taken in New York forecast a definite narrowing of the gap between the two candidates, but none of the polls foresaw such a sharp turn in the contest (just to teach us another lesson about surveys and polls).

As this is written, the first authoritative analyses of the vote distribution in New York have not yet been received, but it is reasonable to assume that the Jews and the Catholics gave Kennedy the victory.

To tell the truth, Kennedy was entitled to hope for some achievement in New York. This state provided massive support for his older brother John in 1960, and his other brother Robert was elected senator in 1964. Many members of the Kennedy "tribe" live in New York, and most of the family business affairs are conducted there rather than in the "mother state" Massachusetts. But what helped Kennedy especially this time was the political climate created by President Carter's ineffectual and irritating handling of Middle East affairs, and his inability to control inflation.

To return, in a different version, to what another American president once said, you can fool some of the people some of the time, but you cannot fool all of the people all of the time. President Carter has lately taken many steps that could be explained as a change of policy toward Israel on one hand, or toward the PLO on the other, under the cover of repeated declarations of "no change in policy." These maneuvers reached a disgraceful climax with the last American vote in the UN security council and the unconvincing explanations that followed.



Although the Jews are not a majority of the population of the state of New York, they are a dominant factor in the Democratic party from an organizational and intellectual standpoint. All signs indicate that they have decided not to believe the sweet talk of Carter's emissaries, including Vice-President Walter Mondale, any more. These emissaries have tried to convince them that what counts are not the acts, i.e., the vote in the Security Council and the positions taken by the U.S. ambassador at the autonomy talks, but the statements made after the acts. Israel's many friends, who believe wholeheartedly that support for Israel is a prime political and security interest of the U.S. now more than ever, could not reconcile themselves to Carter's latest zigzags with respect to Israel. Ted Kennedy, promptly and most convincingly, exploited the turn for the worse in the administration policy toward Israel, and probably this strategy of propaganda paid off.

The state of New York sends the largest delegation (282 delegates) to the Democratic convention, but it should not be forgotten that so far Carter has won convincingly in all states where elections were held, and he enjoys the support of about half of the delegates that have been elected. Difficult tests are still expected for the two candidates, just as in the Republican party where Bush had a surprise win over Reagan, a difficult contest is now expected. But the trend that appeared yesterday in the New York and Connecticut primaries provides the Kennedy camp with momentum and hope, which until now have been evaporating as fast as the computers tallied the defeats.

9045

CSO: 4805

KUWAIT

FINANCE MINISTER CALLS FOR DIVERSIFYING ARAB INVESTMENT

LD191328 Kuwait KUNA in English 1133 GMT 19 Apr 80 LD

[Text] Doha, 19 Apr (KUNA)--Kuwait's Minister of Finance 'Abd-al-Rahman al-'Atiqi Saturday called for diversification of Arab investments in the Arab world and abroad.

He also called for concerted Arab economic efforts to check under-development and overcome obstacles hindering the economic development of Arab countries.

In a statement to AL-RA'Y newspaper here, al-'Atiqi said such moves were considered strategically important because they would help foster cooperation among Arab states with similar economic conditions and consequently serve world stability.

He said Arab investments should be extended to reach Latin America. In this context a Latin-Arab bank has been established with headquarters in Lima, Peru.

Shareholders in this joint venture are four Arab states--Kuwait, Saudi Arabia, the UAE, and Libya--with 60 percent shares, and six Latin American states--Peru, Chile, Brazil, Argentina, Ecuador, and Colombia--with 40 percent shares.

Al-'Atiqi, who left Doha for [word indistinct] Friday, said he was going to Manama to open a branch there for the Latin-Arab bank. He said an Arab was chosen to go (?as) president of the new bank.

He said Bahrain was chosen as the site of the bank's Gulf headquarters because of the strategic and geographical situation of the country in the region.

Al-'Atiqi praised the close cooperation between the various economic and financial institutions in the Gulf countries he has so far visited and said this would help the economic development of those countries.

CSO: 4802

## KUWAIT

### COUNTRY TO BUY SHARE IN SOUTH KOREAN REFINERY

Paris AN-NAHAR ARAB REPORT & MEMO in English 7 Apr 80 p 11

[Text]

Kuwait is pursuing its aim of obtaining a greater control over the refining of its crude by negotiating to buy a 25 per cent stake in an oil refinery at Ulsan, South Korea, according to recent reports. In exchange for agreement, Kuwait is believed to have offered the Seoul government guaranteed supplies of crude of 100,000 b/d.

Reports from Kuwait indicated that agreement had already been reached, however officials in London were quoted as saying that talks were still going on.

The refinery is jointly owned by the South Korean government and Gulf Oil, one of three majors whose entitlement in Kuwait is being drastically reduced as part of a cutback in Kuwaiti production this month. The refinery, one of two in South Korea, has a capacity of 215,000 b/d and includes an ethylene production facility from a naphtha cracking unit with a capacity of 100,000 tons a year. Gulf's subsidiary Transocean Gulf owns 50 per cent of the plant and the state-owned Korea Oil Stock Holding Co the other 50 per cent.

(The other refinery, 50 per cent owned by Caltex and 50 per cent by Honam Oil Refinery Co, has a capacity of 160,000 b/d).

Kuwait is seeking to acquire its stake from the South Koreans. Gulf is understood to have rejected a Kuwaiti demand that it be allowed to refine up to 25 per cent of the crude lifted by contract customers at their refineries. Unconfirmed reports say that BP agreed to

allow Kuwait to use selected refineries to process some of its crude under the new contract negotiated last month (*An-Nahar Arab Report & MEMO*, March 31).

The negotiations, if successful, should revive Korean hopes of a secure future in energy supplies, which received a jolt recently when Iran pulled out of a refinery joint venture. The National Iranian Oil Co is seeking to recover its \$17 million equity participation in a 60,000 b/d refinery nearing completion in South Korea.

NIOC was involved with the Saangyong Company in the \$160 million refinery, the first and only joint venture to date between South Korea and an oil-exporting country. Energy Minister Yang Yoon-Sae said NIOC wanted to pull out because Iran's revolutionary policy prohibited overseas investments. Last month NIOC abandoned a \$3.25 million share in National Petroleum Refiners of South Africa. (*An-Nahar Arab Report & MEMO*, March 17).

South Korea's oil imports, which in 1978 covered 60 per cent of its energy needs, are today estimated at 65 million tonnes of anthracite, equivalent to approximately 800,000 b/d of crude. Oil imports are expected to cover 64 per cent of the country's energy needs by next year, but to decline thereafter as nuclear power and coal gain in importance.

## PLANNING OFFICIAL VIEWS INDUSTRIAL PROCESS

Paris AN-NAHAR ARAB REPORT & MEMO in English 14 Apr 80 pp 6-9

[Interview with Ali al-Mousa, assistant undersecretary at the Ministry for Planning, by Wendy Reid, date and place not given]

[Text]

Kuwait needs to adopt a very hard-nosed attitude to industry for its post-oil era, according to speakers at a recent three day Conference on Industrial Strategies and Policies for Kuwait. The conference was organised by the Kuwait Chamber of Commerce and Industry and the keynote was struck by Oil Minister Sheikh Ali Khalifa al-Sabah when he called on private industries to develop sufficient strength to be able to stand on their own feet. Private ventures, Sheikh Ali declared, ought to be judged by their achievements and by the viability of their production.

One of the main speakers was Ali al-Mousa, Assistant Undersecretary at the Ministry for Planning. In an interview with *An-Nahar Arab Report & MEMO's* Kuwait correspondent Wendy Reid, he displayed an equally hard-nosed approach. If Kuwait's industries were not efficient and capable of meeting international competition, they were not worth having. The interview follows:

Q: Industrialisation is now an established fact, and it seems that there are many interpretations as to the strategy and the direction in which it should go. What is your own interpretation of the strategy that should be adopted?

A: I think it is very clear that there is actually no strategy for our industrial development programmes. I might even go on to say that there is no unified policy. It follows, since if there is no strategy, there is no unified policy or approach to our industrialisation programme. I think I have made it very clear that this is one of the reasons why industrialisation in Kuwait is stumbling.

Q: Can the government do more?

A: Yes, it can and it should do.

Q: Has the government's action ever been incorporated into a five-year plan of Kuwait's development?

A: Well, there was an attempt. So far, however, let me put it this way: there has been no five-year plan ever officially adopted by Kuwait. But now, I think the facts at present, in particular the value and possibility of utilisation of our crude oil and its refined products, has added a new dimension which I think was not realised at that time - the time when we prepared our five-year plans. The issue has been always discussed...

Q: Who by?

A: By very many people.

Q: But not by the government?

A: Yes it has been discussed by the government. So far, however, there has been no consensus as to what strategy should be adopted. But there are a lot of studies. One of them has been prepared by the Ministry of Commerce and Industry in collaboration with some officials and the private sector as well as some outside professionals. Here, in the Ministry of Planning, we are cooperating with the World Bank to develop a strategy.

Q: Will there be a centralised organisation which has responsibility for industrialisation?

A: There is a centralised organisation. Whether it is effective or not is another issue. But there is a centralised organisation. It is in the Ministry of Commerce and Industry. There is a department which is

solely responsible for the development of industry in Kuwait. And there is the Industrial Development Committee which is a policy setting and licencing body.

Q Within the ministry?

A It is within the ministry. But its composition gives it wider representation.

Q Perhaps it should be a ministry by itself?

A Here in Kuwait - perhaps it is traditional - the character of our economic development is that really nothing stops, waiting for something to happen. It seems that we get moving in the same direction and then something new happens which gives it another direction.

Q Trial and error?

A Yes, it has to be. Maybe this is right after all. So I think that almost all concerned circles, whether governmental or otherwise, are very hopeful that a strategy will finally be adopted by the cabinet to give it a definite direction.

### Neither for nor against industry

Q A lot of emphasis has been placed on the cost of encouraging industry *vis-à-vis* what it puts into the economy and the productiveness of the economy. This is a question which is obviously going to be very closely re-examined as to the actual cost *vis-à-vis* the input. This I interpret myself, regarding in particular the private sector, which is basically the import-substitution type of industries, to indicate that, obviously, industries do have to be encouraged - and the cost is high. But to what extent should they be encouraged? To what extent should they be subsidised, particularly with regard to Sheikh Ali Khalifa's comment that a lot of industries have in fact succeeded in spite of having been propped up?

A I don't have anything for or against industry *per se*, or even programmes to encourage its development. I am not against encouraging industry or protecting industry. But the issue is to what extent? If it is just to protect industry when it is starting up, OK. But I am definitely against industry which will not survive without continuous support, subsidy and protection. For so many reasons. One of them is efficiency. Industry which will not survive without continuous support and subsidy is not an efficient one. And since we are placing some hopes on industry for the post-oil era, that means that it will not survive because we will then not be able to

provide it with any subsidy. Actually, we expect such economic activities to subsidise other social activities. So this is why I am giving a lot of emphasis and attention to the issue of subsidies.

It is true that we have some subsidies for industries, although they are minor. Up to this very moment, aside from petrochemicals, we have not really got much industry to talk about. So my concern is about the trend - as you may have noticed - of asking why we should treat industries in a different way than we treat other activities, which truly are heavily subsidised. Subsidy is not confined to industry. Maybe industry is getting the least subsidy *vis-à-vis* other sectors or activities.

But the issue should be looked at this way: why are we establishing these types of industry and for what and for how long? Therefore, to me, the issue is efficiency and effectiveness in order to meet future goals. An industry which can only survive artificially certainly does not meet our cardinal criterion, which is international competitiveness. So this is the reason for my stand on the issue.

Q Should industries be subsidised in the beginning and then have the subsidy taken off gradually over a period of, say, five years?

A I don't think there is anything wrong with subsidising industry and giving it protection in its initial stages.

Q What I think I got from Sheikh Ali Khalifa's statement was that perhaps too much help was being given and industries might have performed better without the help they have been given by the government. What do you think about this?

A Yes. Actually, one of the few beliefs that I have in economic theory is that competition will create and will be inductive to better performance. This is because when we have subsidies and protection, there is a price for them which industry itself has to pay.

Q And at the moment, you think that price is too high?

A It is too high. Because of subsidies and protection, some of those industries which have some sort of a reputation for being a great success have been hampered by decisions which have to be made centrally by the government. For instance, a manufacturing plant here in Kuwait simply cannot add new machinery which might lead to better performance without having approval in advance. To add a new line of products to improve the economics of the project cannot be done without the approval of the Ministry of Commerce and Industry. So



a lot of things that can lead to an improvement in the economics of a project are not simply left to a decision by the manager of the project. And that is due to the problems of subsidies and protection, which sometimes are not worth the money.

Q So in that case, there has to be very close reconsideration of what role the private sector plays, what role the government plays and what role the joint sector plays - and nobody seems to have defined that very clearly. Do you agree?

A No. One of the reasons why the oil industry is successful - which is the example cited by Sheikh Ali Khalifa - is that it can make its own decisions and implement them without referring to a central department.

Q Does the government now have to step back and say this is a private sector and therefore has to operate as private sector?

A No. This has nothing to do with whether a company is in the private sector or the joint sector or totally owned by the government. It has nothing to do with this. A lot of companies totally owned by the government have to refer to the Ministry of Commerce and Industry like any private firm because the ministry and the industrial development law has nothing to do with the form of ownership.

Q But surely, in the interests of operating efficiency, it has to be defined some day who does what?

A No. Aside from giving more selectivity for the investor, the issue of ownership has nothing to do with anything else because a joint sector project is only an economic concept. It is not yet a legal concept in Kuwait. This is not very well understood, even in Kuwait. A joint sector company is, in legal terms, a private company. Its decisions and the law that applies to it is all that concerning private companies. Unless a company is totally owned by the government of Kuwait, and even in a certain legal form, it is not a public company.

Q What about nationalisation of the oil industry?

A Nationalisation of the oil industry was a major government decision. Actually, it concerned only one company. The rest of the companies were abandoned by the private sector and the government has taken over. The PIC was a loser, so the private sector left it and the government has had to take it over. As for the oil tanker company, the government stepped in only at the invitation of the private sector. Only the Kuwait

National Oil Company, which was the object of the latest policy of controlling hydrocarbon-based basic industries, was involved in the takeover. The rest, however, is mainly an incidental question - and mainly the result of the actions of partners in the private sector.

You have noticed, for example, that the Kuwaiti government has partial ownership of most of our financial institutions and even our industrial organisations. This is because the government bought out - you might say bailed out - some of the major shareholders because they wanted to sell out. It is not the government's intent to interfere. No, it is not our policy.

Q There were suggestions at the conference that industrialisation is not perhaps the best way of making use of the oil or even of conserving the oil or of building a base for after the time when the oil finishes. Examples cited were the returns on financial investments, participation in equity in various industries outside Kuwait which give in fact a better return on capital. How far would that be feasible? Is it absolutely necessary to rush into industry when you could be getting in the long run equity investments and so on?

A Well, I think we have to have some protective capabilities in Kuwait. But, again, not at any cost. The issue to me is always the bottom line. Whether we are making money or not. But, again, to be entirely dependent on outside sources would be too dangerous.

Q The word vulnerability was in fact mentioned very often.

A Yes. And, actually, there is no economy which can survive politically, economically or otherwise if it is dependent on one source of income. So if there is an industry that could be established - and I would not rule out this possibility - there should be some sort of industries which can be established in Kuwait. We are making good money from investment. Our return from investments comes second to oil. It might even amount to more than one-third of our revenues. In 1979 it was KD 800 million (\$2.9 billion). But, again, you are putting everything in one basket - actually, a lot of baskets, but all of them outside our control.

Q There has been mention of inviting foreign participation in industry in Kuwait. Presumably, Kuwait has enough money. Is it participation with technical knowledge that is being referred to?

A Well, we have to have some sort of foreign participation, basically because of know-how and technology. But let us not fool ourselves about direct

foreign participation. No foreigners will participate in industry in Kuwait without first assuring themselves that they will make money on the proposition. Otherwise, they will not step in.

### Equity not a real problem

Q Would they have to have equity as well?

A I don't think they are concerned with equity, really. Like anybody else, they are looking to make money. And money can be made either through equity or otherwise. So foreign participation in equity should not be seen as the only way to gain what you are looking for, that is, access to knowhow and technology and maybe sometimes markets.

Q The last (markets) seems to me the most important. Last year, people were talking about developing industry to substitute for imports; this year, they are talking about developing industries purely for exports. Is this so?

A Yes. Let me put it this way: first of all, when we speak of outside markets, these should not be confined to any given geographical area. Of course, you have to start somewhere. Import substitution is simply not economically feasible and has proved to be so. And, actually, when I started looking for export-oriented industries, I was seeking mostly two things: firstly, efficiency, because nobody can compete internationally without having international levels of productivity and competitiveness, second, to always keep Kuwait in a favourable position as to terms of trade and balance of payments because this is our main concern in the post-oil era.

Q Presumably all those export industries will be very much oil-based, such as petrochemicals?

A Not necessarily so.

Q What other form could they take?

A I cannot tell you. I really cannot name industries which will outlive our oil connections. It is simply self-defeating to say that I am preparing industries for the post-oil era and, at the same time, I am depending totally on manufacturing industries based on oil. Maybe there is some confusion concerning our strategy. If you are talking about the period from now until about 60 or 70 years you are talking about one thing. If you are talking about a period beyond that time, you are talking

about something different. My main concern is that, at this stage, we should make the best use of our resources. For me, if selling oil in crude form gives a better return than industry, then to hell with industry. If manufacturing oil products in the long run, I will do it. At this stage, we have to look at oil mainly as one commodity and then see how best we can make use of it.

I think we can establish some industries. But I think we have only limited types of industry - very limited. This is why we have to start with our scope - I cannot support the idea that we have to look at Kuwait as an isolated economy. As a minimum, we have to look at Kuwait as being an integral part of the Arab world. Otherwise we will have a lot of difficulties.

Q Unfortunately, all of the countries of the Gulf have basically the same resource and, obviously, they all try to develop the same industries. In petrochemicals, on which a lot of emphasis is being placed, Saudi Arabia has now commissioned five petrochemicals, which is obviously in competition with what the rest of the Gulf countries are doing.

A Nobody is doing. It is competing against somebody who is thinking. Let me put it this way: I think we are overemphasising the issue of having the same capabilities and therefore doing the same thing. A lot of people simply cannot afford to do it. All it takes is one country making a mistake. Maybe it will do it in a bad and most costly way - but it will not be too costly. I mean that each country may establish a couple of projects and one of them will be a loser and they will find out that there is no way except to establish a joint strategy of complementary balance. A lot of people will try to follow some slogans which are not well tested but they will very soon realise what they are doing.

Q You mentioned the larger economic bloc, which is presumably the pan-Arab economic bloc, and what I want to ask you is to what extent you can cooperate when most of these countries seem to want to go it alone at the moment? To what extent are you cooperating and to what extent will you cooperate? Bahrain is now coming in to cooperate with Kuwait and Tunisia is cooperating with Kuwait. To what extent is it possible to integrate yourselves into a larger economic bloc?

A In my thinking, this is inevitable. Not because of our wishes or because our national or rationalistic approach dictates such a course. To me, there are economic facts of life that will dictate it. Some countries, because of different economic situations, might react differently

and maybe at a different time. But eventually there is no other way.

Some Arab countries are trying to join the European Common Market in one way or another. But I don't think the EEC will absorb Arab countries or even all European countries. Cooperation is inevitable. There might be some delays and different levels of enthusiasm in different countries, but we must not wait for all Arab countries to reach the same conclusions at a certain time in order to move in a coordinated manner. In Kuwait, this policy (of cooperation) is clear cut and was announced years ago.

Q How positive are the results?

A It is not bad at all. I mean, if you take into consideration different economic policies and approaches being followed in different Arab countries, what we are achieving is not bad at all.

Q What is happening about cooperation between Kuwait and Tunisia?

A Kuwait's cooperation with countries in the western part of the Arab world has been more successful than with other Arab countries for some time now - it is nothing new - simply because of the similarity in our economic approaches with those of Tunisia and Morocco - and sometimes even with Libya because of the similarity of our situations, though not necessarily because of our economic philosophies.

Q What about the use of oil by Kuwaiti industry as a cheap raw material?

A Energy will never be a cheap thing. Anyone who is interested in investment in Kuwait from now on should be quite sure that we are not interested at all in looking at oil as a cheap thing even if it is going to be used in industrialisation and manufacturing. What has happened has happened - but we will definitely not continue in the direction now of providing sources of energy or feedstock at cheap prices. No way.

## WOMEN TO BE NOMINATED TO NEW PARLIAMENT

Paris AN-NAJAR ARAB REPORT &amp; COMMENT in English 14 Apr 80 pp 2-3

[Text]

Following up its moves to restore parliamentary and constitutional rule (*An-Najar Arab Report & MEMO*, February 18) the government of Kuwait is likely to nominate some prominent women to the next parliament. However, the government is having second thoughts about allowing women to vote. Outlining the government's view, a memorandum to the Constitution Revision Committee which was set up last February calls for opportunities for Kuwaiti women to enter the new national assembly and argues that women should have the right to assume positions of leadership and to hold high government posts.

Both the Emir and the Crown Prince of Kuwait are said to support such moves to liberalize politics. The government proposes to allow the entry of women into the new parliament by an executive decree of nomination. No mention is made however of allowing women to vote or to contest the elections as candidates.

The government proposes to nominate three women and 10 men to the new assembly, which is to be composed of 13 members, an increase of 25 over the last assembly which was dissolved in 1976. Cabinet ministers opposing the right to vote in the assembly will also vote on the proposal. The proposal to nominate less than one third of the assembly's membership is meant to be seen as an encouragement to democracy. It is understood that the government requested the right to nominate the women deputies rather than have them elected, in order to ensure that the right type of women, with high qualifications, experience and moral standing got to sit in the national assembly. It was feared that the electoral process might not bring these women to power. The memorandum is now being studied by a 9-member subcommittee for detailed review and report.

## BRIEFS

**OIL DIVERSION PROBLEM STUDY--**AL-QABAS has learned that the diversion of Arab Gulf oil to South Africa is being studied by Oil Ministry officials. This is apparently a prelude to the adoption of certain decisions and measures that will insure the end of such a practice and tighten control over the final destination of oil sales so the oil will be delivered to the original buyer and not diverted to another destination. This practice of diverting oil shipments is a contravention of Arab boycott laws, to which Kuwait is committed. Oil Ministry officials have told AL-QABAS they are studying this matter closely and gathering information on three recent incidents in which three oil tankers sailing from the Gulf altered their courses, disappeared for awhile and were then seen again sinking in the Indian Ocean offshore an African country as a result of three mysterious explosions. It was later discovered that the tankers had been unloaded prior to the explosions. [Muhammad al-Shiti] [Excerpt] [GF141425 Kuwait AL-QABAS in Arabic 13 Apr 80 p 13 GF]

**EGYPTIAN PROTECTION NOT NEEDED--**We have become accustomed to hearing so many statements by Egyptian officials. The latest is Minister of State for Foreign Affairs Butrus Ghali's statement that Egypt is prepared to defend the Gulf against any Iranian attack or any attack from a non-Arab state. With all due respect to the recent wave of statements by Egyptian officials, they are merely an attempt to distract attention from the opposition to the regime inside Egypt. They are also an attempt by the Egyptian regime to create strife between Kuwait and Iran. In any case we in Kuwait and the Gulf states do not need protection as much as we need to be left alone by this decaying regime which is trying by every means possible to create difficulties and stir up trouble. Our hearts are with Egypt and with the Egyptian people, who are suffering patiently but are capable of saying their word at the right moment. Let the Egyptian foreign minister shut up, for we in the Gulf are capable of defending ourselves. There is no way the game to create sedition between Iran and the Gulf states will succeed. [Yunus al-Mas'ud] [Excerpts] [LD141237 Kuwait AL-RA'Y AL-'AMM in Arabic 8 Apr 80 p 1 LD]



SAUDI TO SPAN, Middle—The United Arab Emirates Development Fund  
will sign two loan agreements, worth KD 5 mn, with Niger and Oman. The  
agreement with Spain provides for KD 5 mn to finance the Abu-Dhabi elec-  
tric power complex (200 mw), to generate electric power from the coal of the  
Abu-Dhabi region, using the coal to extract uranium. The total cost of  
the project is estimated at KD 11.711 mn, of which the fund is covering  
5.00. The agreement with Oman is for KD 5 mn for the financing of the  
electric and essential water supply in Muscat. The projects comprise  
several aspects, including road construction, electricity and water networks,  
drainage and sewage systems, as well as consultancy, supervision and construc-  
tion work. The project is estimated at a total cost of KD 4.92 mn, of which  
AFAND is covering 4.11. [Text] [Reuter THE ARAB WORLD WEEKLY in English  
17 Apr 80 p 11]

POPULATION GROWTH—Kuwait, with a population of 1,200,000 people, and is  
first in the annual increase of its citizens. The average income reached  
\$18,444 in 1978, compared to the \$2,100 dollars and \$6,720 in, respectively,  
Netherlands and France. Kuwait is also of the first countries in which a  
big proportion of foreigners live. An estimated 53% of the total population  
is foreign, and represents 77% of the workforce in the country. These fig-  
ures were published by the French Magazine "Population." The bi-monthly  
Magazine specified the foreign population with the following nationalities  
and figures: 34% of the total foreigners, Palestinians, Jordanians; 12% of  
Egyptians; 9% of Syrians; 8% of Iraqis; 6% of Iranians; 6% of Indians; 5%  
of Lebanese, and 1% of others. The report said that the Palestinians-  
Jordanians occupied an important position in the Kuwaiti administration  
with a 33% of the workers, nurses, engineers, bankers, businessmen, mechan-  
ics, while the French, Lebanese and Pakistanis are nonspecialized workers.  
[Reuter THE ARAB WORLD WEEKLY in English 17 Apr 80 p 11]

FOREIGN LABOR STATISTICS—Kuwait released last week by the Ministry of  
Social Affairs and Labor showed a sharp drop in foreign manpower during  
1979. The number of 1979 was 10,700, or 10 percent below the 1977  
figure, while the number of permits granted last year was 10 percent below the 1977  
figure. The number of permits granted last year, including new  
permits, renewals and extensions, was 174,225 compared to 187,000 in 1978.  
Of those entering the country as immigrant workers, 19,372 or 17 percent  
of the total (the highest ever since) 17,000, or 18 percent of the total,  
were Arab, of whom 78 percent were Egyptian. Only 7,000 Europeans and  
Americans entered the country as immigrant workers. In percentage terms,  
the number of permits declined in 1979 since a drop of 45 percent compared  
to 1978, which showed a 15 percent fall from 1977. [Text] [Paris  
ARABIAN ARAB REPORT 1 APR 80] in English 14 Apr 80 p 2]

# COMPANIES STOP GAS DELIVERIES

Beirut L'ORIENT-LE JOUR in French 16 Feb 80 p 2

[Article: "The Gas Distribution Companies Have Carried Out Their Threat --Gas Deliveries Stopped"]

[Text] Yesterday the domestic gas distribution companies carried out their threat by cutting off deliveries of butane gas demijohns throughout the length and breadth of the Lebanese territory.

In a telegram sent to the Minister of Industry and Oil Anouar Sabbah, the companies reiterate their claims and stress the fact that their financial situation does not allow them to continue with their activities in the present conditions. Blaming the minister for his "lack of concern," the telegram states that the "promises given in regard to subsidizing the price of gas have gone to smoke" exposing the companies to "considerable losses."

The telegram urges the minister to take care of this problem in all urgency "since the stopping of deliveries will affect the smooth running in more than one sector, especially of the hospitals and of the factories."

A delegation of workers in the gas distribution sector made up of representatives of 17 companies yesterday paid a visit to the Minister of Industry and Oil in order to impart to him the workers' fears of mass firings in the near future owing to the financial difficulties encountered by the distribution companies. On this occasion, Mr Sabbah made it a point to reassure the workers that he would never allow such a thing to happen.

Whatever the case, people are expecting a steep rise in price of gas in the next few days in the black market.

"A Plot" According to the Motor Fuel Union

The initiative of the gas distribution companies was violently criticized by the president of the Motor Fuel Union, Mr Sleiman Hamdane, who

declared: "It is a plot directed at the people at a moment when the population is already bent in two under the crushing burden of the high cost of living due to price hikes. The Motor Fuel Union refuses to go along with the gas companies and invites the responsible authorities to take charge in order to dispose of this issue in the shortest possible time."

1751

CSO: 4800

## BRIEFS

**REBUILDING THE ARMY**--Within the framework of the rebuilding of the army, General Victor Khoury inaugurated yesterday a training session meant for company commanders. On this occasion General Khoury read at the Higher Military Institute a speech in which he invited the officers to fully assume their responsibilities and to rebuild the army on "sound bases." The head of the army spoke in front of Colonel Abbas Handan, deputy chief of staff for operations and director of instruction, Georges Tohme, rector of the Lebanese University, foreign military attaches accredited to Lebanon, and high-level officers of the Lebanese army. Colonel Zouhair Tannir, the institute's commander, made a small speech in front of General Khoury in which he stressed the importance of military instruction and paid homage to the dynamism shown and the efforts provided by the command. To come back to the speech of General Khoury, the commander in chief said in particular: "You are the foundation and the soldiers follow in your steps. It is through instruction that we build an army of which you are the pillars. The sound building [of the army] is a gauntlet that we take in hand and we must therefore work in that direction, hoping that we are equal to the task with the help of God."

[Text] [Beirut L'ORIENT-LE JOUR in French 22 Feb 80 p 2]

1751

CSO: 4800

GULF REGION MUST UTILIZE SOLAR ENERGY

Paris AL-NAHAR ARAB REPORT & MEMO in English 21 Apr 80 pp 13-16

[Text]

The author of the following article has a deep commitment to solar energy. Salim J. Jabbour is a young Lebanese engineer specialising in developing this form of power and he has recently published a book on solar energy in the Gulf\*. He argues his case forcefully and *Al-Nahar Arab Report & MEMO* is therefore pleased to afford him an opportunity to place before Middle Eastern decision-makers who form a substantial portion of the newsletter's readership the following reasons why he believes the Gulf must take the steps needed to harvest the bountiful energy it receives from the sun.

Although the Middle East has more than half of the world's proven oil reserves and scarcely 2 per cent of its people, the Gulf region is actually threatened more by the world energy crisis than are the industrial countries. Paradoxical though this may seem, this is due mainly to the following three reasons:

First, the Gulf countries are at present dependent upon petroleum as a major or even unique source of income which serves as the driving force behind almost every sector of their economies. But the accumulated wealth of the region is still capital wealth derived from the depletion of a finite resource and this form of wealth will not be able to survive beyond the depletion of the Gulf's oil reserves. This is not the case for the industrial states, where an income wealth has been established through manufacturing and where the shift that is expected to the use of new sources of energy will have a different impact.

Second, the depletion of oil reserves will impel Gulf countries to search for other sources of energy to meet domestic demand after a century in which they enjoyed abundant oil and gas. This will mean that the countries which now export oil will become importers of energy technology and/or raw materials from which energy is derived, depending upon the type of source of



alternative energy which they adopt. Industrial countries are currently importing energy, but for them the prospect is a shift from a trouble-ridden source to something that is probably more attractive to them.

Third, the oil age gave the Gulf political and economic power on the international stage which they did not have before oil became important and which they will not retain after the depletion of their oil reserves if they have not steered with foresight their current prospects and planned accordingly.

### Each country must chart its own transition

Clearly, however, there is no single well-defined path to a post-oil age and each country must chart its own transition. Countries located in the higher latitudes are favoured with wind resources; mountainous countries have falling water; tropical countries can grow organic matter for fuel throughout the year; countries in desert regions have an abundance of sunlight.

Solar energy is not, of course, the only option open to the Gulf. As the age of fossil fuel approaches its end, several sources of energy are being considered as alternatives to oil and gas and these include both non-renewable (and therefore limited in quantity) and renewable sources, the latter being available in unlimited quantities. However, research and development of only a small number of these resources is in an advanced stage and an even smaller number of these appear to hold out promise for the Gulf region.

Beginning with non-renewable and exhaustible energy resources, the first fuel that comes to mind is coal, considered to be the most abundant of all fossil fuels. By itself, coal can meet world energy needs for the next three centuries. But in addition to the obsolescence of exploitation of coal and the inefficiency of mining, other disadvantages inherent in the use of coal have recently become more evident. This is due in part to increased concern for the health and safety of coal miners and concern over air pollution.

Tar sands and oil shales, which are stratified rocks containing hydrocarbons that can be cooked out to make a kind of oil, are also a potential source of fossil fuel. But estimates of reserves are sketchy and the technology for exploiting these resources is both expensive and a source of pollution.

The most promising non-renewable source of energy is nuclear power, which is thought of as a potential replacement for fossil fuels in the near future. But nuclear power demands costly high technology for safe and reliable production and there may be considerable public opposition. Moreover, the process of

enriching nuclear fuel is monopolised by a few countries and reprocessing of burnt fuel would be extremely costly for the Gulf states, where only a few nuclear power stations would suffice to meet domestic energy demands. Reprocessing is a sound economic proposition if the plant required is serving at least 60 nuclear power stations.

A further problem is the cost of nuclear fuel, which is derived from a few countries which can fix an artificial price for it. Therefore, if the Gulf region should select the nuclear option, this would mean that it would have to import both technology and fuel - and this would be impossible once oil reserves are depleted and oil revenues cease.

While some non-renewable sources of energy like oil and gas are being consumed and others are not viable for the time being at least, it is in the interests of Gulf countries to turn to longer-term, permanent sources of energy. Of these, solar energy is both most abundant and inexhaustible.

The sun has been radiating energy for more than 400 million years and is expected to continue to do so for at least the next 50 million years. Earth has always depended indirectly upon the sun for its energy. The sun's rays provide the heat which human, animal and plant life need in order to survive.

The amount of the sun's energy which is intercepted by our planet is only a tiny fraction of the total energy it releases. Earth receives about one-billionth of the sun's energy, but this represents some 170 billion Megawatts, or 25,000 times the world's total consumption of power. It has been calculated that current technology to harness the solar energy impinging on 4 per cent of the land area of the US would be sufficient to meet the projected energy requirements of the entire country in the year 2000.

When the huge amount of energy from the sun reaches Earth, about 30 per cent is reflected straight back into space. Another 47 per cent goes to heat up the surface of the planet and almost all of the remainder is absorbed through evaporation from seas, lakes and rivers. A small fraction of the order of 0.2 per cent generates winds, currents and waves, and an even smaller amount - perhaps 0.02 per cent of the total - is absorbed by plants through photosynthesis.

The first recorded large-scale use of the sun's rays was by Archimedes, who is said to have set fire to a Roman fleet which attacked Syracuse in 212 BC. He is said to have done this "by means of a burning glass composed of small square mirrors moving every way upon hinges... so as to reduce it (the Roman fleet) to ashes at the distance of a bowshot." Serious study of the sun's potential began in the 17th Century and both Galileo and Lavoisier used the sun in their research. By

1700, the sun had been used to melt diamonds and heat engines with energy supplied by the sun were operating by the early 1800s.

In addition to the thousands of traditional uses of the sun's energy (growing food, drying foods and clothes, etc.), a number of new uses of the sun have been developed recently. These include heating and cooling buildings, heating swimming pools, operating engines and as the power source for pumps. Some other possible uses of sunlight are for ventilation, humidifying or dehumidification, desalination and distillation, phototropic changes, photochemical reactions, germicidal reactions, solar furnaces and ovens and electrical power generation and switching.

There are, of course, problems inherent in the use of solar energy just as there are with other sources of energy. Although it is abundant, the solar energy which reaches the atmosphere of Earth is relatively dilute (approximately 1,353 Watts per square metre), passing through the atmosphere results in still further dilution by attenuation, by local weather conditions and by air pollution. Owing to the dilute nature of solar radiation, large collection areas are required and the initial cost of installing solar heating and cooling equipment is higher than for other contemporary sources of energy. At the current cost of power, however, properly designed and constructed solar heating or cooling for buildings is less expensive than electrical climate control under most conditions and in most locations in the U.S.

The most favourable sites for development of solar power are desert areas lying between 35° North and 35° South, these regions receive between 3,000 and 4,000 hours of sunshine a year.

The Gulf is therefore favoured by its location. It is also favoured by the availability of funds for development. These are reasons for believing that the Gulf might enter the solar era before the industrial countries.

The Gulf region receives daily 400,000 trillion BTUs of solar energy which, if all of it were to be harnessed, would equal the world's consumption of energy for four years. It is among the most favourable sites in the world for the collection of solar energy, receiving an average annual solar radiation of 8,000 Megajoules per square metre.

Another reason is that the limitations on the use of solar energy become apparent when one matches its availability and its use. At latitudes above 45°, which include most of the industrial regions of Europe, space heating in winter accounts for up to 40 per cent of annual consumption of primary energy. Yet the solar energy received during the four winter months at 44° North (Nice) represents only 15 per cent of the total amount of sunshine for the year and the figure

drops to 6 per cent at 60° North (Oslo). This problem does not arise in the Gulf, where the sun is mostly available when it is needed, especially for cooling, which accounts for a large portion of domestic consumption of energy.

A third reason is that development of solar energy in the Gulf would not require imports of any raw materials, as nuclear energy does. Another plus factor is that solar energy technology is not complicated and no country has a technological monopoly. Solar energy technology is, in fact, very simple and widely known, a factor which solves automatically one of the major problems encountered by Gulf states, namely the availability of expertise.

Fourthly, the basic handicap of solar energy is its dilution and the consequent need for large collecting areas. In industrial countries, where there is a high level of land use, this is a problem; in a sparsely populated region like the Gulf, it proves to be an advantage. Bareh territory could be covered with solar collectors which could supply very large amounts of energy.

At the same time, decentralised solar energy systems may help Gulf countries improve the quality of life in rural areas because solar technologies provide their users with an especially important social advantage in their potential for the promotion of development in rural areas which have previously been neglected and where development is most needed. In the absence of strong rural development programmes based on decentralised energy sources, migration to the cities will reach fluid proportions, exacerbating already serious urban problems. And, as the 1977 UN Conference on Desertification emphasised, the use of locally available renewable sources of energy is important in order to reduce excessive woodcutting in arid and semi-arid countries because this is one of the most serious causes of desertification.

Fifth, the Gulf does not face the problem of the industrial world in adapting itself to a system of solar energy which arises because the industrial countries have 90 per cent of their capital invested in buildings and equipment which is ill-suited to this form of energy. The Gulf region can thus work to transform its capital wealth into income wealth before the end of the oil era but this can only be done if it uses oil revenues to build an energy system that can be sustained after the end of oil.

#### **Minimal Arab investment in solar energy so far**

To be sure, there is opposition in the Arab world to the development of solar energy and the estimated sum budgeted for research and development of this form of energy in all Arab countries is a mere \$30 million a year compared with over \$1 billion in the US. There are two main reasons for this:

First, converting solar energy into useful forms of energy requires high capital costs which cannot compete against the lower costs of equipment using fossil fuels. Secondly, most Arab policy makers have looked upon advanced industrial countries as their models and have been unwilling to settle for what they see as second-rate renewable energy sources at a time when industrial countries are using oil and gas. Against this, some OPEC experts argue that oil in the ground is better than oil which is exported in its crude form and that oil producers should not believe opinions expressed by some people in the West that changes in energy technology are likely to diminish the value of hydrocarbon resources. Solar energy will release hydrocarbons for use as feedstock for petrochemicals, but future demand means that solar energy will not only have to be used to produce power and heat but also to produce fuels, lubricants and chemical feedstocks. This can be done with the aid of chemistry and other resources, although several years of sophisticated research and development work will be required before it can become a reality, and this must be supported by governments.

Above all, the Arab world must bear in mind that it is not running out of energy. Its reserves of cheaply exploited oil and gas are being depleted, however, and this will entail eventually a loss of oil revenues and the concomitant political power and prosperity of the oil era. Therefore, the Arab world is running out of time to adjust to new realities and a decision to assume a leadership role in harnessing renewable sources of energy would be a wise one. It is of critical importance to begin a transition to solar energy early enough and to pursue aims with vigour if a viable energy system is to be in place when it is needed.

Gulf countries should stop copying today's industrial powers and technologies. It would be better instead for them to fit their investments to their needs and future prospects and every decision should take into account the depleted oil reserves and proposed alternative sources of energy.

This means that the introduction of solar energy in the Gulf would require the intensive support of governments there. Wise moves in this direction would be to subsidise investments in solar energy and provide tax incentives to industries which introduce solar technology.

Involvement of governments is needed for two other reasons. First, according to some researchers into solar energy who have become disillusioned by their experience in both industrial and agrarian regions, the major impediment to development of this form of



energy has been neither technical (solar devices work) nor economic (many simple devices can be made cheaply). Instead, they say, the problems are social and cultural in origin. Occasionally, persons who have been given solar equipment have refused to use it, either because of the rigid time requirements of solar technology and the way in which this disrupted their daily routine, or because the use of sunlight went against their cultural traditions. Breaking through the hard shell of custom on other problems has been typically harder to do in the Gulf than in developed countries.

Finally, introduction of solar energy will necessitate cooperation both between the governments of Gulf states and of all those working on the question in the Arab world. Support for research and development by Gulf states would probably, however, prevent any long term expatriation of Arab scientists and thus help toward establishing a solar technology for the region.

CSO: 4820

## PERSIAN GULF AREA

### BRIEFS

GULF BANK INCREASES FUNDS--Doha, April 16 (SPA)--Funds of the Gulf International Bank Tuesday will be increased to 100 million Bahraini Dinars from BD40 million. The increase was decided in a meeting of the General Assembly of the GIB under the chairmanship of the Qatar minister of Finance and Petroleum, Sheikh Abdul Aziz bin Khalifa Al-Thani. The assembly approved the report of the auditors approving the final accounts and the account of benefit and loss for 1979. The assembly earlier was briefed by bank chairman Abdullah Saif about the annual achievements of the bank. Saif said the bank has become a first-class banking institution which draws international attention for the support and assistance it obtains from member states. Seven Arab states share the capital of the bank. They are Saudi Arabia, Qatar, Kuwait, Bahrain, UAE, Iraq and Oman. [Text] [Jiddah ARAB NEWS in English 17-18 Apr 80 p 3]

CSO: 4820

MINISTER EXPLAINS STRATEGY FOR ECONOMIC EXPANSION

Jiddah ARAB NEWS in English 16 Apr 80 p 3

[Text] Jeddah, April 15--Sheikh Muhammad Aba Al Khail said the aim of government spending during the past five years was not only to provide funds for housing, but to involve the private sector and individual investors in joint ventures.

During a televised talk Monday night, the Finance and National Economy Minister said that in the first year of operation, the Real Estate Development Fund gave loans totalling SR8 billion. This helped build 41,000 houses and last year's loans of SR31 billion went to the construction of 143,000 dwellings. He said this is in addition to loans amounting to SR2 billion for investment in apartment buildings, housing and commercial complexes.

The government, by means of the Industrial Development Fund, gave loans totalling SR5.5 billion to set up 467 different industrial plants and factories to meet local demand for goods.

A program establishing companies to provide electrical generating plants cost the government SR16.5 billion. The program comprised 255 projects and loans are still being sought and given.

More than one hundred thousand loans amounting to SR2.5 billion were given to farmers and in the form of farming subsidies.

During the last five years the government gave loans to persons wishing to build and manage private hospitals. These amounted to SR169 million for 14 hospitals with a total capacity of 1400 beds.

At the same time the government spent more than SR1 billion in loans to hotel companies thereby helping to set up 44 hotels with a capacity of 9000 rooms.

Individuals in distress and wishing to borrow small amounts of money to get married can borrow money on easy terms--interest free--from the Saudi Credit Bank which has so far given loans amounting to SR400 million to 72,000 applicants.

Because of the shortage of bakeries and the rising demand for bread, the government offered bakers money to build automatic plants and in this way spent SR183 million for 62 bakeries. Similarly those wishing to build cold stores to preserve foodstuffs were able to borrow SR200 million during the current year.

Another program was set up to help technical institute dropouts deciding to strike on their own, rather than become employees. Thus electricians, plumbers and other technicians have been given loans to open their own shops. SR30 million was set aside for this purpose.

The government created joint companies to encourage individuals to invest in them, make a profit and learn to save. These include the Saudi Hotels and Resort Areas Corporation with a capital of SR500 million and 13,000 shareholders, a shipping company with a capital of SR500 million and 13,000 shareholders--in addition to government participation.

The Saudi Real Estate Company was formed to invest in real estate development on a large scale. It has a capital of SR600 million. SAPTCO, the Saudi Public Transportation Company has 34,500 shareholders in addition to government participation and that of other governmental agencies.

Aba Al Khail talked about the Saudization of foreign bank branches in the country and said this was aimed at giving Saudi Arabian investors and shareholders a share of the profits that the banks used to make. For this reason the government decided that they should be converted into Saudi banks owned principally by Saudi shareholders now numbering 80,000.

It was announced in Riyadh that Aba Al Khail was holding regular meetings with senior officials of the budget department to study results of their meetings with other ministries for the purposes of collecting data for the forthcoming budget.

Last week the department completed studies of transportation, telecommunications, ports and airports, education, girls' education, the universities, labor and social welfare, health, information, agriculture and water, electricity and industry, public works, housing and municipal services.

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JOINT VENTURE IS MAJOR NEW ZEALAND ENERGY INVESTMENT

Paris AL-NAHAR ARAB REPORT & MEMO in English 21 Apr 80 pp 11, 12

[Text]

Saudi Arabia's Prince Nawaf bin Abdulaziz has stirred up controversy by entering a joint investment company set up to develop the energy and natural resources of New Zealand. The opposition Labour Party has directed its criticism chiefly at the New Zealand government for permitting a foreign concern to take a 50 per cent share in the \$19 million venture, while holding only 25 per cent of the shares itself; however, sensitivities have been bruised even more than might have been expected, because the move followed immediately the sale of an area of rich farmland to the prince.

The state-backed Development Finance Corporation (DFC) will hold 25 per cent of the shares in the new company and other New Zealand interests will hold the remaining 25 per cent, it was announced last week. The new company intends to invest in new projects, rather than take shares in existing concerns.

John Hunn, General Manager of DFC, described the joint venture as an ideal way of attracting overseas investment capital to develop the country's resources in the coming decade. It is however surprising that the government should need to induce foreign interests to participate in so small a venture. Earlier this month, it was announced that the government had agreed with Mobil to set up a \$500 million plant, said to be the first of its kind in the world, to synthesise gasoline. Mobil will hold only 25 per cent of the shares in the project, designed to cover one third of New Zealand's demand for gasoline (*Al-Nahar Arab Report & MEMO*, April 7).

The Labour Party has warned that if it is elected to office, it will insist on the state taking more than 50 per cent of the shares in agreements of this kind. The controversy has been accentuated by opposition charges that the government has withheld certain details of the agreement.

Although New Zealand's economy is heavily dominated by agriculture, the country has promising mineral deposits and energy resources. Its crude oil reserves are estimated at 190 million barrels, equivalent to more than six year's consumption; domestic production is small - about 13,000 b/d - meaning that the country has to import about 68,000 b/d, but the oil is of a remarkably high quality. Crude from the Kapuni wells, operated by Shell, BP and Todd, has an API gravity rating of 51.3°; this is probably because the field is extremely deep, lying between 12,400 and 13,700 feet, more than twice as far below the surface as the average Algerian field.

Natural gas has also been found in North Island, and reserves are assessed at 175 billion cubic meters.

CSO: 4820



## SAUDI ARABIA

### BRIEFS

**EARNING OF INTERNATIONAL BANK**--Saudi International Bank the London-based consortium bank which is half owned by the Saudi Arabian Monetary Agency (SAMA), has reported a 66 percent rise in net earnings, from \$3.1 million in 1978 to \$5.3 million last year. Total consolidated assets were up 61 percent to \$1.7 billion, while an additional \$29 million in equity capital from shareholders helped raise the total capital and reserves to \$91.5 million, the bank said last week. Loans grew by 47 percent to \$44 billion, although the growth in this sector has been slower than expected, according to the bank's Chief Executive Officer, Edgar Felton. Narrow margins on Eurodollar syndicated loans had not encouraged an aggressive stance, while the bank had been constrained by the relatively high cost of Rial funds in Saudi Arabia, he explained. However, fee earnings in Saudi Arabia--where the bank is not allowed to open a branch--had contributed handsomely to overall profits. Contingent liabilities on guarantees and confirmed letters of credit grew from \$82.5 million to \$146.1 million during 1979. The bank is precluded by SAMA rules from opening a branch in Saudi Arabia because it is 45 percent owned by Western banks, notably Morgan Guaranty, which holds 20 percent of the shares. [Text] [Paris AL-NAHAR ARAB REPORT & MEMO in English 21 Apr 80 p 13]

**COMPUTER CENTER FOR PORTS**--Riyadh, April 13 (SPA)--The Saudi Ports Authority Sunday began operating its new computer center, which cost SR50 million and took two years to build. Dr. Fayez Badr, president of the Saudi Ports Authority and chairman of its board, said the computer center links Jeddah and Dammam ports to the authority's main office in Riyadh. It will be developed next year to include the ports of Jubail, Yanbu and Jizan. Dr. Badr said the new center gives access to the works and activities of ports in Saudi Arabia, thus providing the possibility of running work in any of the ports from the main office of the Ports Authority. Saudi Ports Authority now is working on a new dock for unloading animals at Jeddah Islamic Port, Dr. Badr said. [Text] [Jiddah ARAB NEWS in English 14 Apr 80 p 2]

# DEFENSE MINISTER BITTERLY ATTACKS PRESIDENT CARTER

Paris AL-MUSTAQRAL in Arabic 23 Feb 80 pp 6-8

[Article by Syrian Defense Minister Brig Gen Mustafa Talas: "Carter and His Solicitude for Islam"]

[Text] Writing about President Carter, especially these days, assumes a tragic character. It is just as the popular saying goes: "What Can I Say About You, Quince (a Tart Fruit)? Every Time I Taste You, You Are Bitter."

When the keys to the White House were handed over to President Carter in the fall of 1976, Arabs were optimistic about the new president. They hoped that he would be an improvement over his predecessor with regard to the questions that interest the Arab nation, chiefly Palestine and other occupied Arab territories. Nothing is more bitter to an Arab than to see the head of a superpower declare animosity to him without cause and without such animosity being in the interest of the American people. What had caused our optimism was the fact that President Carter had donned the monastic garb and played the role of one who believed in the principles of Christ. He had spoken at length about human rights, about justice and about all the noble spiritual values in the international community.

Events continued without interruption, and, suddenly, President Carter turned out to be more of a Zionist than the Zionists themselves. One statement came after another, and all the statements affirmed that Carter was forever committed to the security of Israel and to giving it assistance to engage in spurious and aggressive actions and to violate Arab rights and the Islamic holy places. He began showering Israel with advanced weapons and economic aid to prove to Zionism that his intentions were good.

When endurance reached its limit, and world opinion became indignant with Carter's partiality to Zionism and to Israel, Carter issued a statement that had a glimmer of hope in its acknowledgement of Arab rights and the rights of the Palestinian people. Here too we returned to the hope that perhaps this man's conscience had been awakened.

But overnight, we were surprised by the president of the United States retracting his previous statement. If we wanted precise language [to describe this situation], we would say, "Carter retracted his former statement, and he returned to his entourage and to his companions in evil, Menahem Begin and Anwar al-Sadat."

In the past, it used to be said that "The words of kings are sovereign." What is the learned interpretation of this historical statement? Quite simply, the statement means that when a monarch or a president speaks, he does not lie. It is consequently important that his words be confirmable. But instead of following in the footsteps of his worthy forefathers, Carter adopted another route: he adopted the route of falsehood, in spite of his certain knowledge that the leeway for falsehood is brief. A history professor in a U.S. university said something to the effect that President Carter was not fit to be the president of a state, because he lied and constantly changed his mind. Carter's conduct does not only concern the statements he made to the press and to the broadcast media; it goes beyond that to [the field] of international relations. Carter has never honored his word.

As an example of Carter's conduct, when the Soviet Union and the United States of America signed a draft resolution to solve the Palestinian question and the question of occupied Arab territory in the fall of 1977--even though the proposed resolution did not meet all the aspirations and hopes of the Arab nation--President Carter contacted Anwar al-Sadat and the prime minister of the Zionist entity Menahem Begin. He asked them to work together to find a common denominator for a flimsy settlement that would pave the way for a separate peace whose primary objective would be to serve Israel and its expansionist, aggressive ambitions and to break the Arab ranks that appeared cohesive and firm following the glorious October War.

Thus it was that Carter deeply wounded the Arabs and stabbed the Soviets in the back. He lied, he deceived, and, in both cases, he did not honor the sanctity of international agreements.

In Geneva, when President Carter met the fighting President Hafiz al-Assad, (we as members of the Socialist Arab Ba'th Party first, and as Syrian Arab citizens second, have a comment on this subject before going into details of this meeting) we held our heads high when the president of our republic refused to rush to the United States like other Arab and foreign leaders do when they are invited by the president of a superpower like the United States. I am saying that our president refused to go to the United States. He was thereby exemplifying the honor and the pride of the Arab nation. He asked the U.S. administration, if it was concerned about holding a meeting, that it take place in a neutral country. Switzerland was the choice of both parties.

In the summer of 1977, the meeting between the two presidents took place. At first we kept up with it in the media. When the president and commander

returned from Geneva, he briefed the regional command of the Arab Socialist Ba'ath Party. The president's impression of Carter was favorable. He assured us every time that "If President Carter is truthful, he would be a great man."

President al-Assad was touched primarily by Carter's Arab-like virtues. Second, he was touched by his personal character. Therefore, he had no thought or doubt that President Carter could lie. But these beautiful dreams soon melted in the spring of the following year. The snows melted and the meadows emerged. It became evident to President al-Assad that Carter does not honor his promises and does not keep his word. [It became evident] that falsehood had become part of Carter's nature.

But President Carter's hatred of and resentment for the Arab nation appeared clearer when he encouraged Anwar al-Sadat to undertake his treacherous visit to occupied Jerusalem and to move towards making a separate peace with Israel, thereby dealing a blow to Arab solidarity which was the basic underpinning for the glorious October War.

Let me say here for the record, that it never occurred to any Arab that Carter's partiality to Zionism and to Israel would be so blatant that he would renounce the supreme interests of the United States of America.

To prove this point let me say this: it has been known historically that the Kingdom of Saudi Arabia and the United States of America are bound by friendship, and that this relationship had begun in the late thirties. But what is also known is that friendship cannot be one-sided; otherwise, it cannot last long.

The Kingdom of Saudi Arabia suffered from this friendship what no other country on the face of the earth has suffered. The United States, as we mentioned, set out deliberately to break the Arab ranks and Arab solidarity by using its servile agent, Anwar al-Sadat. Does the United States have any interests in antagonizing the Kingdom of Saudi Arabia? Does the fragmentation of the Arab nation serve the national interests of the United States?

The survival of a strong, cohesive Arab nation is a significant factor for world peace [in general] and for European peace in particular. But the concentrated military presence of the United States in Egypt and in Palestine will push the Soviet Union to prove its presence also on the international scene. The Soviet Union will not permit the United States to play its game until it achieves the objective intended for it by the Pentagon, the U.S. Ministry of Defense. If the United States considers the world a jungle, it should know that it is not the most powerful beast in that jungle.

Let us go back to our main subject, and that is Carter's false solicitude for Islam.

When the Iranian Revolution broke out last February, the United States was not pleased with this vehement popular uprising. It is true that it has recently decided to abandon the Shah of Iran, as has been its custom of abandoning its agents when they are on the brink of death. It hurls them into the wastebasket of history or lets them fall as it looks at them and says this cannot be helped.

This time, however, the plans of the U.S. administration were not successful. The administration had been hoping for a military coup in Iran that would exercise control with an iron fist and carry out some domestic reforms so as to contain the popular resentment. Ultimately, the military regime would revolve in the orbit of U.S. policy. But the hand of God superseded that of the Americans, and Imam Ayatollah Khomeyni and his aides were able to gain control and to place the Iranian Islamic Revolution in the correct position--a position opposing U.S. imperialism and defending the rights of the oppressed, and at their forefront the rights of the Arab people of Palestine.

There was an uproar in the western press that was orchestrated by the United States and Zionism. The western press sided against Islam and called for a new crusade against the Arab nation which represents the basic foundation for Islam in the entire world.

Then came the events that led Iranian students to take members of the U.S. embassy in Tehran hostages. This was a great occasion for revealing the truth about the United States and for exposing it to the international community. President Carter's reactions were more like those of a cowboy than those of a head of state. He created an uproar against Iran, called for the imposition of economic sanctions against it and mobilized his hostile fleet in the Arab Sea near the Arabian Gulf. He did all this to sap the energy of the Iranian Revolution. But Imam Khomeyni paid no attention to all these threats, and he firmly supported the position of the students and turned it into a nationalist position against U.S. imperialism.

But the matter that deserves the most condemnation is President Carter's confiscation of Iranian deposits in U.S. banks.

A deposit in legal tradition is a [sacred] charge. How can the United States steal those deposits that do not belong to a specific individual but rather to the Iranian people?

In spite of its unpleasantness and ugliness this incident was beneficial because it opened the eyes of our Arab brothers in the oil producing countries to the fact that anyone who appropriates Iranian funds will not flinch in the future from confiscating Arab funds. I reaffirm here that by doing so Carter hurt the capitalist system in the whole world. This is because this system is fundamentally based on respect for personal and collective ownership, but Carter trampled upon all these values and hence came the vicious scramble of U.S. citizens to acquire gold. This is because they became



convinced that their country and their regime cannot possibly inspire any confidence and trust in the future. This was the case with all those who had a monetary surplus all over the world.

In this case President Carter hurt the capitalist system that is led by the United States. Consequently, he hurt the national interests of the United States. It is known that the true colors of Carter's genius and of his false solicitude for Islam did not appear [anytime] as they did in the aftermath of the events in Afghanistan which occurred in the latter part of last year. The president finally discovered that Islam was a great religion and that Soviet troops were not to be permitted to go into a country whose residents were Moslem.

This man's case is curious. How can he be solicitous of Islam in Afghanistan and not solicitous of Islam in Palestine, in South Lebanon and in the Golan Heights?

How can he help Israel occupy Jerusalem, the first qiblah [focus] of Islam and the third holy place after Mecca and Medina?

How can he give Israel cluster bombs so it can bomb our children and our citizens in the camps of our Palestinian brothers and in South Lebanon?

If Carter is concerned about Islam, he must demonstrate the same concern in all cases because according to the prevalent proverb, "One surface cannot be hot and cold at the same time."

Let us catch the liar at his own game and tell Carter, "If you were solicitous of Islam, you would have read what the noble Arab prophet said. The prophet of humanity said, 'If the Arabs are humiliated, Islam is humiliated.'" Did Carter leave any measure that he did not use to humiliate the Arab nation? How can Islam rise when the Arab nation is as fragmented as it is, and all of this is due to the favors of U.S. imperialism and its chief, Mr Carter?

It is only the intoxicated rulers in Egypt, who smoke hashish for their pleasure in water pipes, that are being taken in by the card-shuffling game. But Arab fighters everywhere in the Arab world cannot be fooled by this game. We cannot alter the fundamental direction of our battle 180 degrees. Our enemies, strictly speaking, are Zionism and all those who support it. The Soviets are the honorable friends who stand firm with Arab rights. They support Arab rights at international gatherings, and they reinforce the combat capability of the Arab Syrian army which is spearheading the clash for the Arab nation. But what made me laugh--and the worst misfortune is ludicrous--was Carter's recent speech to the U.S. Congress in which he proclaimed his willingness to interfere militarily to protect the Arabian Gulf because the question of oil is considered vital to U.S. and European interests.



On this occasion let us say first and foremost, "May God protect the orchard from its keeper." This is one [statement] we are making. But what is even more important is to say to Mr. Carter, "How can you consider the flow of Arab oil to your country a vital matter and not consider the occupation of our holy places and our territory a vital matter at least for us?" If Mr. Carter had any political sense, and we are not saying "manners," he would not have made such irresponsible statements. He wants to defend us against an imaginary danger, but at the same time, he helps our enemies, the Zionists, occupy our land and our holy places.

How about a little sensitivity, Mr. President?

Do you want the Arabs to think with their shoes instead of with their heads? If we were to think with our shoes, like the intoxicated man of Egypt, we may come to the same conclusion which al-Sadat came to, and that is, we may make friends with enemies and antagonize friends!

It was a curious coincidence that after I wrote this statement, I read an article in TIME Magazine that impudently attacked President al-Assad because he had ordered Syrian troops in Lebanon to assemble. In his conclusion the author of the analytical article raised this question: "Will al-Assad succeed in turning conditions in the area around and turning the hatred of the Arab people for the Soviets to a hatred for Jews?"

I do not claim to know everything about the basic trends that govern U.S. public opinion, but I do not at all believe that the American people are as stupid as they are shown to be in TIME Magazine. "And then who told you"--and we are addressing the U.S. administration and its media which is controlled by Zionists--"who told you that there was one Arab who hated the Soviets?"

Some of our Arab brothers do not believe in socialism, and this is their own affair. But this does not necessarily mean that they hate the Soviets.

The Arab people know quite specifically who are their enemies and who are their friends. And in one word the United States has only one choice: to commit itself to a comprehensive solution to the affairs of the area, a solution that is based on truth and justice. But if the United States is trying to trick us, let us tell her that the time for that has gone forever. Anyone who wants to gain the friendship of the Arabs, must not be partial to Zionism, and this is the least that can be done.

One may say, "Can't the actions that al-Sadat took at Camp David be used as a model for the countries of the area?"

But we say to that, "No, and a thousand times no!" What happened at Camp David was a conspiracy against the Arab nation. In the final analysis, [the events at Camp David] carried out the Zionist strategy. And if we are told, "But look at al-Sadat: he went ahead, and he is still in power,"

we reply, "The Shah of Iran was in power 1 year ago, and Field Marshal Chiang Kai-shek was in power 3 years ago. Five years ago U.S. agents exercised arbitrary power and controlled the state in Saigon. Where are they now? They have been overthrown by the people, and they have been trampled underfoot. The destiny of the new agents will not be any better than that of their predecessors.

Let us go back to the mission of defending the Arabian Gulf. What we are saying is this: "This mission is the responsibility of the Arab nation before being that of anybody else. We will not allow any [country] to sacrifice the blood of its citizens. The Arab nation which has a population of 150 million persons is quite capable of defending the Gulf and the independence of the Gulf. We are affirming beforehand that the Arabian Gulf area is under no danger except that which exists in the minds of imperialists and Zionists like Kissinger and Zbigniew Brzezinski. We will be well as long as you stay away from us. Go back to your country with your airplane carriers, your military battleships, your cruisers and your personnel carriers. You will find that the Arabs are quite well and that the Islamic Iranian Revolution is also quite well."

Syria considers the strategic depth of the Arabian Gulf in the same measure as the Arabian Gulf is considered to constitute a strategic depth for Syria. Accordingly, the security of the Gulf is a matter of concern to Syria and not to the United States which is separated from the Gulf by tens of thousands of kilometers.

The candid and plain statements that have been made by officials in the Arabian Gulf, and especially in Kuwait and Bahrain, indicate positively that our Arab people have broken the collar and are no longer taken in by the lies and falsehoods of colonialists.

We do not accept any foreign presence in our Arab territory. This is the essence of the statements that were made by most of our citizens in the Arabian Gulf.

Finally, I would say a word to President Carter on behalf of millions of Arab citizens whose nation has experienced nothing but bitterness and resentment from President Carter and from his partiality to its enemies, the Zionists, "Your sudden solicitude for Islam has not convinced us. On one hand, anyone who is solicitous of Islam must also be solicitous of the Arab nation on whose shoulders Islam rose. On the other hand, the fact that you confuse friends and enemies leads us to believe that if we were to go along with your understanding of Islam, it would not surprise us at all that you should in the future issue a decision appointing Menahem Begin as Shaykh of al-Azhar Mosque!"

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CSO: 4802

# INFORMATION MINISTER SEES COMMON STRUGGLE WITH IRAN

Tehran TEHRAN TIMES in English 12 Apr 80 p 3

[Text] TEHRAN TIMES' Akbar Djavadi and Abbas Larazandeh recently visited Syria and Kuwait where they had a series of talks with several high officials in these countries. Here Information Minister Ahmad Eskander Ahmad talks to the TEHRAN TIMES:

Minister of Information of Syria Ahmad Eskander Ahmad said that Syria and Iran have a common goal and destiny which is a firm determination to fight against zionism and imperialism.

The Syrian minister said his country held the same opinion as Iran that all possible assistance and help should be given to peoples who were fighting for their freedoms anywhere in the world.

Ahmad said that Syria attaches great importance to Iran's Islamic Revolution and supported it from the very beginning of the movement.

He stressed that Irano-Syrian relations should increase in fields such as economics, culture and politics.

He said that there was a definite will and desire among the Syrian people to increase bilateral relations with Iran.

He said that the biggest danger for Islam and Moslems come from Israel and American imperialism which should be resisted with unity and all the resources at our disposal.

He said that Syria is one of the founder members of the non-alignment movement and firmly believes in the objectives of this movement.

He said that the movement sternly opposed all manifestations of imperialism and zionism and added that it was the duty of all freedom fighters to back such movements which were against international imperialism.

He said that the Syrian constitution provides greater scope for the implementation of Islamic principles.

The labor force in the country has been given an opportunity for direct and indirect participation in government and other national affairs through People's Councils.

Through these councils, he said, workers and peasants take part in the country's affairs and their opinion on each issue is given due attention.

He said workers and peasants were the backbone of the Syrian revolution.

On the current strain in Irano-Iraqi relations the Syrian minister said the major part of the problems being faced by Iran now have been inherited from the shah's regime.

But, he said, there is no problem which cannot be solved through negotiations. He advised that both the countries should show good intentions for the solution of the problems and even the slightest chance should not be given to enemies who could meddle in the bilateral disputes of Moslem countries.

Ahmad said that Iran and Syria believe that Islam is the only way to solve all problems and these countries will act accordingly to bring about peace and prosperity in these countries.

He warned that the U.S. would do all in its power to mar the great revolution of Iran. The U.S. will definitely try to disturb peace and sow the seeds of discord among the people, "because they (U.S.) do not think this revolution to be in their interest."

He assured that Syria will always remain on the side of Iran and its people for their struggle in reaching the aims of Islamic Revolution and economic and social prosperity.

The countries cooperation is also available to the Third World which is the victim of the U.S. imperialism and zionism, he said.

In a separate interview with the TEHRAN TIMES Deputy Foreign Minister Nasser Kaddour pledged that Syria will continue its struggle against Israel and pointed out that while some countries were hesitating to launch a movement against the Camp David agreement, Syria had done so with full force.

Kaddour said that Syria was in constant danger of Israeli attack during the last 33 years and had to face several attacks during this period and added that it was because the country always remained on the front line of opposition to Israel.

Commenting on current developments he said, "True Syria lost a friend in Egypt but found a new one in Islamic Iran which had greater worth."

He said that his country was constantly in touch with the Lebanese government in order to seek efforts towards promoting peace, law and order there, but added that Israel and the U.S. powers always torpedoed such efforts.

He declared that until and unless Israel does not withdraw from the South Lebanon it would be difficult for the people of that area to determine their future.

Kaddour said Syria believes in the unity of Lebanon and any attempts at partition will be met with strict opposition from it.

CSO: 4820

## SYRIA

### UNPUBLISHED DETAILS OF AL-ASSAD'S TRIP TO RIYADH REPORTED

London AL-AWADITH in Arabic 15 Feb 80 p 13

[Article: "What Has Not Been Published About al-Assad's Visit to Riyadh"]

[Text] When the Saudi government was notified that Syrian President Hafiz al-Assad wanted to visit Riyadh as soon as possible, a telegram was sent immediately to Minister of Defense Prince Sultan who was accompanying King Khalid in the traditional journey of piety.

Crown Prince Fahd said, "President al-Assad will arrive in Riyadh tomorrow"--that was Friday, January 25--"with an official delegation for a very important visit."

King Khalid interrupted his desert trip and returned to Riyadh with Prince Sultan so they would be on hand with other members of the government to welcome the guest.

The king, Prince Fahd and Prince 'Abdallah, second deputy prime minister, resolved that during the talks with President al-Assad everybody was to assist in creating the best climate that would ensure Syria's participation in the Islamabad Conference. They would create the same climate that Riyadh ensured through personal contacts with officials in Algeria, Libya and the PLO so that all those who had previously refused to attend, except for South Yemen because it has its own obligations, would be able to come.

What was needed in Prince Fahd's opinion was a minimum of Arab and Islamic accord. [At the same time] the conditions and the sensitivities of each state were to be maintained.

This was the political climate that President al-Assad experienced during the first round of talks in Riyadh.

It has been learned that President al-Assad began expressing his reservations on representing his country at the Islamabad Conference. These [resolved around] two points: the first pertained to the date of the conference, and the second, to the place where it was being convened.



"The date of convening the conference," as al-Assad said, "coincides with the date of the normalization of Egyptian-Israeli relations."

President al-Assad also objected to the conference site. He expressed his willingness to represent Syria if the conference were to convene in Riyadh. In his opinion Islamabad was not a neutral location.

Regarding the first point Prince Fahd replied that it would not be difficult to change the date, and he immediately gave orders that contact be made with Prince Sa'ud al-Faysal, minister of foreign affairs--who was at that time in Islamabad--and ask that opening ceremonies be postponed 24 hours and that the day which had been designated for opening the conference be spent in making preparations for it.

And so it was. The opening of the conference was postponed 24 hours to comply with Syria's request.

Regarding the second point it was said that it would be difficult to change the location of the meeting especially since most of the delegations had arrived. In addition, choosing Pakistan as the conference site was a purposeful act because it is an Islamic country, adjacent to an occupied, Islamic country.

Moreover, President al-Assad was told that it was not necessary for Minister Khaddam to endorse the resolutions. His presence as Syria's representative was what was important. It would not make any difference whether he abstained [from voting] or supported [the resolutions].

The Syrian president replied that Syria did not think that its basic, central battle was in Afghanistan, but that it was rather on the eastern front and against Israel and Camp David. [He said] that Damascus was not prepared to challenge the Soviet position that supports the Arabs politically and militarily.

He was told that the purpose of the conference was not to condemn the Soviet invasion of Afghanistan, but rather to denounce every action undertaken by a superpower, and especially the United States of America, to occupy a small and defenseless nation. Moscow's support for the Arabs cannot, however, justify maintaining silence about its invasion of an Islamic state. Today it is Pakistan; tomorrow, perhaps Iran; and so on.

The first round of talks ended at this point, and it was agreed that the talks would resume the following day and that Minister of Foreign Affairs 'Abd-al-Halim Khaddam would attend.

But Saudi authorities were surprised by the fact that the airplane of the Syrian delegation left Riyadh Airport before its scheduled departure time and that only Khaddam was on it. Saudi authorities learned afterwards that the Syrian president had been suddenly notified that Soviet Minister of

Foreign Affairs Andrei Gromyko had moved up his visit to Damascus 24 hours, that is, he would arrive in Damascus on Saturday instead of on a Sunday. Minister Khaddam was therefore compelled to fly to Damascus to welcome him.

The Saudis understood that the Syrians had made up their minds about their position. Then came the Syrian resolution to withdraw the deterrent forces from Beirut. No one had been told about that resolution by the Syrians or by the Palestinians. The Syrian resolution affirmed what President al-Assad had told Prince Fahd about Syria not being able to oppose Israel without Moscow's military and political support. [He also told him] that the Kingdom of Saudi Arabia knew that Syria was subject to an Israeli-Egyptian-American conspiracy and that a military or a political defeat in Syria--even a limited one--would signify the collapse of the opposition front against Camp David.

It was said that President al-Assad also said, "I came to you so we could come to an agreement over a formula that would reconcile my relations with you and with the Soviets."

The question that is being raised by the diplomatic report where these and other details are mentioned--details that would be difficult to publish--is this: "Did President al-Assad inform Saudi officials of the decision to withdraw the deterrent forces from Beirut?"

The sudden departure of Prince 'Abdallah ibn 'Abd-al-'Aziz to Damascus and the lengthy meeting he had with President al-Assad indicate that the Syrians considered the decision to withdraw the deterrent forces to be an operation that falls within the plan of assembling [their] troops and not a strategic operation to withdraw [those] troops.

8592

CSO: 4802

EX-PRIME MINISTER VIEWS SITUATION IN COUNTRY

NC250855 Istanbul GUNAYDIN in Turkish 22 Apr 80 p 5 NC

[Exclusive statement by former Syrian Prime Minister Ma'ruf al-Dawalibi to GUNAYDIN correspondent Resat Akar--date and place not given]

[Excerpts] Former Prime Minister Ma'ruf al-Dawalibi enjoys great popularity among the Sunnites in Syria, who constitute 85 percent of the population. He was prime minister of Syria in 1951 and 1961 and he had the support of Ihsan al-'Attar, leader of the "Muslim Brotherhood" organization.

For the first time al-Dawalibi expressed his views to GUNAYDIN on the mounting terrorism in Syria. He did not hesitate to state that there would be more incidents and a lot more bloodshed. Al-Dawalibi continued: "There is no freedom for the people in Syria. No one is free to do what he likes. No one is free to form a political party or to speak or move freely. The present regime in Syria is nothing but a dictatorship. So, the people are not unjustified in revolting."

Asked whether the increasing number of incidents could lead to a change of government in Syria, al-Dawalibi said: "Naturally, if the incidents continue to increase, there may be a change of government. For generally the people are reacting to the government. If the present rulers do not change their attitude toward the public soon, Syria will be the scene of serious developments."

Al-Dawalibi also complained that Syria's relations with other Islamic states are not as desired, and added: "Today's regime, which they call socialism, is not maintaining good relations with its neighborly Muslim countries. We are deeply grieved by the fact that, despite Turkey's extremely good intentions, Syria is openly supporting Greek Cypriots without showing the least respect for the rights of the Muslim Turks on the island."

CSO: 4907

# RECLAMATION, DEVELOPMENT PLANNED FOR 'AKKAR PLAIN

Beirut THE ARAB WORLD WEEKLY in English 5 Apr 80 pp 3-5

[Text] The Syrian Akkar plain is considered as one of the most fertile parts of Syria, an area which responds to all efforts to cultivate it. These efforts are however, lost in the occasionally arid region and the failure to tap the heavy rain water.

In fact this area needs reclamation as suggested by the flooding from the rain of all plantations. This is damaging, especially in the southern part, neighbouring the big southern river where the area is completely turned into swamp. The rain then becomes a source of misfortune. Many peasants find themselves obliged to replant during the same season.

The Akkar plain is located in the southern part of the Tartous governorate, in the north of the big southern river that forms the natural border between Syria and Lebanon. The plain extends longitudinally on the Mediterranean coast over an area of 22,683 hectares.

Average winter rainfall reaches 800 mm. Three main rivers pass through the plain: the Big Southern River, Al Abrash and Al Arous. Winter rain causes the flooding and overflowing of Al Arous. Crops are characterised by late ripening perhaps due to the excessive humidity of the soil and the lack of proper drainage although the plain is one of Syria's warmest regions.

Nowadays the region is planted with few varieties of crops, such as wheat, barley, vegetables and pistachio besides citrus fruits. An approximate area of 700 hectares is being watered through the big river in two old runlets, and 20 percent of the total area is irrigated through 700 wells, 437 of which are artesian, and 233 superficial wells. Peasants use some advanced means of cultivation such as pesticides, fertilizers and some utensils.

The population of the plain numbers officially 16,000 persons, but is actually only 15,000, due to the migration. These live in fifty villages. Most of them work in cultivation; services including seed provision, are

provided by two state agricultural central offices. The produce faces, however some bad marketing conditions, due to the domination of middlemen, a fact that drives farmers into smuggling the produce to nearby Lebanon, where they get encouraging prices in comparison with the local markets.

Constraints that limit cultivation in the plain and hinder its development are mainly concentrated in three aspects:

--Occasional inundation of the Big Southern River that floods a large area of cultivable lands of around 850 hectares. This leads to the drowning of winter crops, and delaying of vegetables.

--Lack of drainage system, that becomes intensified after heavy rainfall seasons.

--Drought in Summer seasons, where most streams run dry, as also the Al-Arous river, throwing the region's dependence on wells that are short of covering total needs.

In addition to these there are public service constraints, such as lack of adequate roads, electricity, health conditions, and others, that render life difficult for the region's inhabitants.

#### History of the Plain

In fact, experiments have proven the land to be fertile, and provided with large production potential. Cash revenues are able to be generated through saving sums of hard currency disbursed actually on importing citrus fruits, whereas the plain, if well exploited, is largely adequate for these provisions.

The fourth five-year plan has recommended the study of the construction of three large dams in Tartous governorate, on the rivers of Al-Abrash, Al-Arous, and the Big Southern. These aim at creating an irrigation system for the whole plain. The International Development Agency was called to prepare a techno-economic study for a general development scheme to be applied to the plain.

After this was completed, the state assigned a specialized national committee to scrutinize and revise the study, and this latter has reported its results to the state, but nothing has been actualized.

Three years ago a French consultative office studied the possibility of constructing two dams on the Al-Abrash and Al-Arous rivers. This proved non-tenable, because of the cracked calcic nature of the rocks. The issue was then left pending, for it included one of two solutions, either to follow the study implications and forget about dams, or to go on with the plan set, the idea being to prove the possibility of water

storing, which actually was a big problem, almost impossible due to the land's nature. This, however does not mean that water has to be wasted in the sea.

There is another way of benefiting from it, by pumping it inside the rocks, to enrich under ground storage. The problem gets blocked at this point, because injecting water into rocks is a complicated process. It needs inclusive study by highly qualified consultative parties.

On the other hand, the American study has yielded similar results to the French one, but introduced the notion of a dam, on Al Abrash in a semi-plain place near the mountain foot. The revising committee examined the place and found the idea inadequate, because it did not completely solve the question of water storage or wastage.

Besides this the projected storing place would inundate a big area of very good cultivable land. In addition to these constraints, such a project would demand high cost, being a big dam in need of a large earth blockage that requires large volumes of soil.

Return expected of such a project was, thus, non-reliable. The estimated cost (\$14 million) is actually not sufficient. The real cost is expected to be much higher.

Thus the stated dam was out of question.

#### Reasonable Prospects

Despite the above mentioned, prospects for exploiting the water resources in the plain laid by some national specialists looked like being the most realistic and tenable.

They consist of erecting a storing dam on the big southern river cooperatively between Syria and Lebanon. Such a project was within the core of many negotiations accomplished during the 1960s between both sides.

The techno-economic study performed by the Lebanese side with the assistance of the Syrian, revealed the possibility of such project realisation. This dam would provide Syria with a share of water capable of irrigating 40 per cent of the Akkar plain area.

CSO: 4820



SETTING UP SAHARAN SELF-DETERMINATION REFERENDUM DIFFICULT

Dakar AFRICA in French Mar 80 pp 53, 54

[Article by Attilio Gaudio, author of "Western Sahara File": "Referendum For Self-Determination: For Which Saharans?"]

[Text] Outside Algeria, a number of countries and a part of international opinion consider self-determination to be the only solution to the Western Sahara problem. But how many real Saharans would be called on to participate in such a consultation?

It would be quite difficult at present to take a precise census of the nomadic Saharan population, for if the political borders are the first obstacle, the scattering of the groups in time and space is a second and more serious one. In fact, it is quite possible to count their camps, but useless to try keeping up with their movements, any more than it would be logical to hope to keep track precisely of variations in size of different families.

The territory covered by the nomadic tribes is enormous, thousands of kilometers separating the limits of this nomadism. During a particularly dry year the Saharan region proper is literally emptied, and the camps are concentrated in the outlying regions. That was the case in 1950, when Oued Draa saw thousands of tents being moved from Reguibat and from other nomadic Saharan tribes. The previous similar exodus was in 1940; therefore, there had been adequate rainfall for 10 years to permit camps to stay in the desert areas.

Conflicting Evaluations

In a pamphlet titled "The Saharan People in Conflict," dated May 1975, the Polisario Front claimed 750,000 inhabitants, without counting those in exile (that is, an average density twice that of Mauritania!). More recently, the minister of defense of the Saharan Democratic Arab Republic pointed out that the people in the Tindouf camps, considered as refugees by the Polisario and as detainees by Morocco and Mauritania, number over 100,000 people.

According to the census or the estimates by Morocco and Mauritania, the population currently in the reunited zones of Western Sahara numbers 55,000 in Sequiet-el-Hamra and 12,000 in Oued Eddahab (former Rio de Oro). Obviously, other Saharans currently reside in places other than in Morocco, Mauritania, or Algeria.

To add to these flagrantly conflicting conclusions, let us mention the opinion of Senegal which has said that it is an interested party: "Of the 70,000 inhabitants of the former Spanish Sahara, there are a maximum 15,000 refugees living in Tindouf."

For his part, Mokhtar Ould Daddah affirmed: "It is not surprising that, realizing that despite the use of force most of the inhabitants of ex-Sahara were still not in Algeria; they (the Algerian leaders) gathered into the Tindouf region several tens of thousands of nationals from neighboring countries and peoples from southern Algeria and termed them refugees.

From the numerical point of view, we need not point out the impossible task a neutral, international commission would have if charged with determining who are the real and who the false Saharans, since it would have difficulty distinguishing one from the other. In any case, unless there is a compromise between the two camps, one cannot see how the referendum needed for self-determination could take place under such conditions.

#### The Census of 1974

The only serious document on the population of Western Sahara was produced by Spain, at the end of 1974 after a national census. This census assessed the Saharan population at 73,497, of which 38,336 were men and 35,161 women; 40,988 were under 19 years of age. The distribution by tribes was as follows:

Izarguiyans 19,000, Ouled Delim 11,000, Ouled Tidrarin 9,000, Laaroussyans 4,500, Ait Lahcen 3,000, Yaggout 1,000, Ahl Sheik Ma-el-Ainin 2,500, Filala 200, Toubbalt 600, Mejjar 450, Ladeicat 500, Lemyar 700, Chenagla 100, Ait Oussa 150, Ouled Bou Aita 40, Ouled Bou Sba 15, Azouafid 80, Imraguen 40.

The Spanish statistics reported the settled and recently settled population living in the main cities as follows: El-Ayoun 28,010, Smara 7,280, Dakhla 5,370, Guelta 2,490, Ausserd 2,448, Tifariti 1,778, Bir Enzeran 1,398, Mahbes 1,396, La Guera 1,229, Echdiria 1,058.

Six other small towns had over 500 inhabitants: Hagunia, Tichla, Daora, Bou Craa, Boujdour, Hansa. Other places with less than 500 inhabitants were: Bir Gandus, Miyec, Gleibet, Fula, Aguenit. Aside from these settled inhabitants, Western Sahara had 13,000 nomads, of whom 2,315 were in the El-Ayoun region, 2,235 in Boujdour region, and 1,898 in Smara region.

In this census, the Spaniards did not include, for obvious reasons, those Saharans who had been forced to leave Western Sahara or who went into voluntary exile in order to avoid being reoccupied by Spain, following the Ecouvillon operation in 1958. According to the numbers recognized by the UN missions, these refugees of the past 20 years numbered about 30,000 in Morocco, 4,000 in Mauritania, and 2,400 in Algeria.

On the eve of Spain's departure, the Sahara had, in the professions, 8,078 breeders (camels and sheep), 5,465 laborers, 1,341 military men (abandoned by the Spaniards and for the most part taken over by the Polisario), 981 merchants, 707 drivers, 358 skilled workers, 345 industrial workers, 226 sheiks, 190 civil servants, 140 fishermen, 141 teachers, 119 nurses and paramedics. There were 4,862 students in primary schools and 911 in secondary schools. In the Moroccan-Saharan agreement, the population was divided as follows: 59,000 people in the Moroccan zone and 14,000 in the Mauritanian zone.

The 1974 Spanish census total of 74,902 inhabitants, of whom 73,497 were Saharans at the time of decolonization, is not only accurate, despite Polisario statements that speak of 700,000 inhabitants, but it indicates the highest point reached on the demographic curve of Seguiet-el-Hamra and of Rio de Oro, then under Spanish rule. In fact, prior to the statistics published by the administration in Madrid, other European and international organizations had, on several occasions prepared studies of Saharan sociology in which the Saharan population was usually placed in the same category with other pastoral and nomadic groups, such as the Moors, the Touaregs, and the Toubous.

#### Other Documents

At the Paris colloquium on problems of arid zones, attended by 250 specialists from 33 countries, between 11 and 18 May 1960, Professor R. Capot-Rey of the faculty of arts of the University of Alger read a paper dealing with the conditions of nomadism in Western Sahara. In his conclusion, he gave a synoptical view of the human groupings in question, from which he drew the conclusion that the Spanish Sahara had a total population of 50,000, of whom 30,000 were nomads. Morocco had 100,000 nomads in a population of 500,000 in the Saharan region; Mauritania had 150,000 nomads out of 600,000 Saharans, and French Sahara had 202,000 nomads out of a total desert population of 539,000.

Statistics published in 1967 by the department of the prime minister of France (Studies and Documents, Maghreb, No 22, Paris, July-August 1967), estimated at 33,673 the number of inhabitants of Saharan towns under Spanish rule as follows: El-Ayoun 9,812, Villa Cisneros (Dakhla) 5,571, Smara 17,894, Guera 396. The nomad population, numbering about 30,000 people, remained unchanged, the French document describing them as Moors, Ouled Delim, and Reguibat Sahel.

In 1970, the Italian Geographical Institute of De Agostini printed a statistical calendar of the world. In the chapter "Spanish Sahara" we find figures dating from 1968: a total population of 23,793 inhabitants, of whom 5,304 are Europeans and 18,498 Saharans.

According to the Mauritanian election census, the population of the wilaya of Tiris El Gharbia was 18,400 in April 1976, of whom 6,400 were in the two above-mentioned districts and 12,000 were the original inhabitants of former Western Sahara which, according to Mauritanian authorities, numbered about 14,000 people before the Spaniards left.

These texts and documents from different sources and time periods cannot be easily disputed, given their purely scientific or documentary character. Besides, great changes have taken place in Western Sahara in the last 15 years. A part of the population has settled in urban areas, and, although of a drifting nature because of its ties and tribal affinities, it became irreversibly integrated into a merchant economy.

The drought that has been devastating the Sahel and the Sahara regions since 1968 has accelerated this change even more, a change that undermines the base of nomadic life and destroys Saharan ancestral structures. From then on, traditional ties with Morocco and Mauritania were weakened, while new reception structures were created, favoring the birth of a Saharan sense of identity, which were used by the first students returning from Morocco and Spain.

9465

CSO: 4400

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